

100-101011-11/15/74

DEC 18 1974 - 11 25 AM

~~INTERSTATE COMMERCE COMMISSION~~

AMENDMENT AGREEMENT dated as of December 1, 1974, among NORTH AMERICAN CAR CORPORATION (hereinafter in its capacity as builder called a Builder and in its capacity as Lessee called the Lessee), PULLMAN INCORPORATED (Pullman Standard division) (hereinafter called a Builder), EXCHANGE NATIONAL BANK OF CHICAGO, as Owner-Trustee (hereinafter called the Company) under a Trust Agreement dated as of July 15, 1974 (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary).

WHEREAS the Builders, the Lessee and the Company have entered into a Conditional Sale Agreement dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Conditional Sale Agreement);

WHEREAS the Builders have assigned their respective interests in the Conditional Sale Agreement to First Pennsylvania Bank N.A., as agent (hereinafter called the Agent) under a Finance Agreement dated as of July 15, 1974, pursuant to an Agreement and Assignment dated as of July 15, 1974 (hereinafter called the Assignment), between the Builders and the Agent;

WHEREAS the Company and the Builders now desire to amend said Conditional Sale Agreement as hereinafter set forth and the Lessee by its execution at the foot hereof hereby consents to this Amendment;

WHEREAS the Company and the Lessee have entered into a Lease of Equipment dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Lease);

WHEREAS the Company has assigned for purposes of security under the Conditional Sale Agreement its interest in the Lease to the Agent pursuant to an Assignment of Lease and Agreement dated as of July 15, 1974 (hereinafter called the Lease Assignment), between the Company and the Agent;

WHEREAS the Company and the Lessee now desire to amend the Lease;

WHEREAS the Beneficiary authorizes and instructs the Company to execute this Amendment as evidenced by its written instruction attached hereto; and

WHEREAS the Agent has given its prior written consent to this Amendment as evidenced by its Consent attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. The Conditional Sale Agreement ^{is} re~~stated~~ and amended in the form attached hereto as Exhibit A.

2. The Lease ^{7/7/7} is restated and amended in the form of Annex C attached to said Exhibit A.

3. The Lessee will promptly cause this Amendment to be filed and recorded and deposited in like manner as the Conditional Sale Agreement and the Lease.

4. Except as amended hereby, the Conditional Sale Agreement and the Lease shall remain unaltered and in full force and effect in all other respects.

5. This Amendment may be executed in counterparts and it shall not be necessary for each party to execute the same counterpart so long as each party shall execute one counterpart which shall be delivered to the other parties thereto.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

PULLMAN INCORPORATED
(Pullman-Standard division),

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee,

by

Vice President

[Corporate Seal]

Attest:

Assistant Trust Officer

NORTH AMERICAN CAR CORPORATION,
in its capacities as Lessee and
as a Builder,

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1974, before me
personally appeared , to me personally
known, who, being by me duly sworn, says that he is Vice
President of PULLMAN INCORPORATED (Pullman-Standard division),
that one of the seals affixed to the foregoing instrument is
the corporate seal of said corporation, that said instrument
was signed and sealed on behalf of said corporation by
authority of its Board of Directors and he acknowledged
that the execution of the foregoing instrument was the
free act and deed of said corporation.

Notary Public

My Commission expires

STATE OF ILLINOIS,)
) ss. :
COUNTY OF COOK,)

On this day of 1974, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is

of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Notary Public

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1974, before me personally appeared , to me personally knowm, who, being by me duly sworn, says that he is Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Notary Public

My Commission expires

INSTRUCTION OF BENEFICIARY TO OWNER TRUSTEE

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, Illinois 60690

Attention: Trust Department

Dear Sirs:

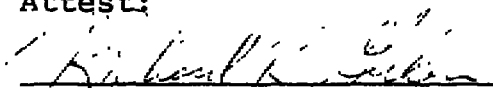
Reference is made to a Trust Agreement dated as of July 15, 1974, between the undersigned and you, as Trustee (the Trust Agreement). We instruct you to enter into an Amendment Agreement dated as of December 1, 1974, to the Conditional Sale Agreement and the Lease (as defined in the Trust Agreement) in the form to which this instruction is attached.

Very truly yours,

GENERAL ELECTRIC CREDIT CORPORATION,

(CORPORATE SEAL)

Attest:



ATTESTING SECRETARY

by



Title:

VICE PRESIDENT

Date:

DEC 13 1974

PRIOR WRITTEN CONSENT

First Pennsylvania Bank N.A., as Agent under a Finance Agreement, dated as of July 15, 1974, hereby gives its prior written consent to the Amendment Agreement dated as of December 1, 1974, between Exchange National Bank of Chicago, as Trustee, Pullman Incorporated (Pullman Standard division) and North American Car Corporation with respect to the Conditional Sale Agreement and the Lease (as defined in said Amendment Agreement), in the form to which this consent is attached.

FIRST PENNSYLVANIA BANK N.A.,
as Agent

by _____

Title: _____

Date: _____

(CORPORATE SEAL)

Attest:

AMENDMENT AGREEMENT dated as of December 1, 1974, among NORTH AMERICAN CAR CORPORATION (hereinafter in its capacity as builder called a Builder and in its capacity as Lessee called the Lessee), PULLMAN INCORPORATED (Pullman Standard division) (hereinafter called a Builder), EXCHANGE NATIONAL BANK OF CHICAGO, as Owner-Trustee (hereinafter called the Company) under a Trust Agreement dated as of July 15, 1974 (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary).

WHEREAS the Builders, the Lessee and the Company have entered into a Conditional Sale Agreement dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Conditional Sale Agreement);

WHEREAS the Builders have assigned their respective interests in the Conditional Sale Agreement to First Pennsylvania Bank N.A., as agent (hereinafter called the Agent) under a Finance Agreement dated as of July 15, 1974, pursuant to an Agreement and Assignment dated as of July 15, 1974 (hereinafter called the Assignment), between the Builders and the Agent;

WHEREAS the Company and the Builders now desire to amend said Conditional Sale Agreement as hereinafter set forth and the Lessee by its execution at the foot hereof hereby consents to this Amendment;

WHEREAS the Company and the Lessee have entered into a Lease of Equipment dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Lease);

WHEREAS the Company has assigned for purposes of security under the Conditional Sale Agreement its interest in the Lease to the Agent pursuant to an Assignment of Lease and Agreement dated as of July 15, 1974 (hereinafter called the Lease Assignment), between the Company and the Agent;

WHEREAS the Company and the Lessee now desire to amend the Lease;

WHEREAS the Beneficiary authorizes and instructs the Company to execute this Amendment as evidenced by its written instruction attached hereto; and

WHEREAS the Agent has given its prior written consent to this Amendment as evidenced by its Consent attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. The Conditional Sale Agreement is restated and amended in the form attached hereto as Exhibit A.

2. The Lease is restated and amended in the form of Annex C attached to said Exhibit A.

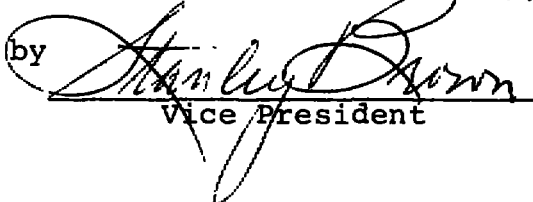
3. The Lessee will promptly cause this Amendment to be filed and recorded and deposited in like manner as the Conditional Sale Agreement and the Lease.

4. Except as amended hereby, the Conditional Sale Agreement and the Lease shall remain unaltered and in full force and effect in all other respects.

5. This Amendment may be executed in counterparts and it shall not be necessary for each party to execute the same counterpart so long as each party shall execute one counterpart which shall be delivered to the other parties thereto.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

PULLMAN INCORPORATED
(Pullman-Standard division),

by 
Vice President


[Corporate Seal]

Attest:


Assistant Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee,

by


Vice President

[Corporate Seal]

Attest:


Assistant Trust Officer

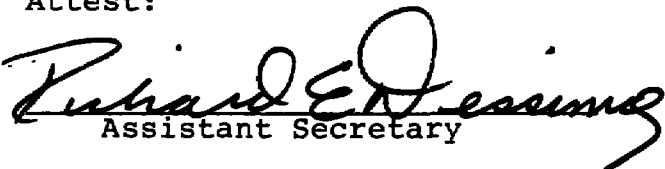
NORTH AMERICAN CAR CORPORATION,
in its capacities as Lessee and
as a Builder,

by


Vice President

[Corporate Seal]

Attest:


Assistant Secretary

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 13th day of December, 1974, before me personally appeared Stanley Brown, to me personally known, who, being by me duly sworn, says that he is Vice President of PULLMAN INCORPORATED (Pullman-Standard division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Walter L. Zerk
Notary Public

My Commission expires May 7, 1978

STATE OF ILLINOIS,)
) ss. :
COUNTY OF COOK,)

On this 13th day of December 1974, before me
personally appeared James M. Buegent, to me personally
known, who, being by me duly sworn, says that he is ~~present~~

of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the
seals affixed to the foregoing instrument is the corporate
seal of said bank, that said instrument was signed and sealed
on behalf of said bank by authority of its Board of Directors
and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said bank.

Keith Lee M. Buegent
Notary Public

My Commission expires

Oct 1, 1976

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 13th day of December 1974, before me personally appeared James W. Hansen, to me personally known, who, being by me duly sworn, says that he is Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Matthew D. Smith
Notary Public

My Commission expires _____ Notary Public State of Illinois
My Commission Expires December 18, 1976

INSTRUCTION OF BENEFICIARY TO OWNER TRUSTEE

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, Illinois 60690

Attention: Trust Department

Dear Sirs:

Reference is made to a Trust Agreement dated as of July 15, 1974, between the undersigned and you, as Trustee (the Trust Agreement). We instruct you to enter into an Amendment Agreement dated as of December 1, 1974, to the Conditional Sale Agreement and the Lease (as defined in the Trust Agreement) in the form to which this instruction is attached.

Very truly yours,

GENERAL ELECTRIC CREDIT CORPORATION,

(CORPORATE SEAL)

by _____

Attest:

Title: _____

Date: _____

AMENDMENT AGREEMENT dated as of December 1, 1974, among NORTH AMERICAN CAR CORPORATION (hereinafter in its capacity as builder called a Builder and in its capacity as Lessee called the Lessee), PULLMAN INCORPORATED (Pullman Standard division) (hereinafter called a Builder), EXCHANGE NATIONAL BANK OF CHICAGO, as Owner-Trustee (hereinafter called the Company) under a Trust Agreement dated as of July 15, 1974 (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary).

WHEREAS the Builders, the Lessee and the Company have entered into a Conditional Sale Agreement dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Conditional Sale Agreement);

WHEREAS the Builders have assigned their respective interests in the Conditional Sale Agreement to First Pennsylvania Bank N.A., as agent (hereinafter called the Agent) under a Finance Agreement dated as of July 15, 1974, pursuant to an Agreement and Assignment dated as of July 15, 1974 (hereinafter called the Assignment), between the Builders and the Agent;

WHEREAS the Company and the Builders now desire to amend said Conditional Sale Agreement as hereinafter set forth and the Lessee by its execution at the foot hereof hereby consents to this Amendment;

WHEREAS the Company and the Lessee have entered into a Lease of Equipment dated as of July 15, 1974 (hereinafter, as amended by an Amendment Agreement dated as of November 20, 1974, called the Lease);

WHEREAS the Company has assigned for purposes of security under the Conditional Sale Agreement its interest in the Lease to the Agent pursuant to an Assignment of Lease and Agreement dated as of July 15, 1974 (hereinafter called the Lease Assignment), between the Company and the Agent;

WHEREAS the Company and the Lessee now desire to amend the Lease;

WHEREAS the Beneficiary authorizes and instructs the Company to execute this Amendment as evidenced by its written instruction attached hereto; and

WHEREAS the Agent has given its prior written consent to this Amendment as evidenced by its Consent attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. The Conditional Sale Agreement is restated and amended in the form attached hereto as Exhibit A.

2. The Lease is restated and amended in the form of Annex C attached to said Exhibit A.

3. The Lessee will promptly cause this Amendment to be filed and recorded and deposited in like manner as the Conditional Sale Agreement and the Lease.

4. Except as amended hereby, the Conditional Sale Agreement and the Lease shall remain unaltered and in full force and effect in all other respects.

5. This Amendment may be executed in counterparts and it shall not be necessary for each party to execute the same counterpart so long as each party shall execute one counterpart which shall be delivered to the other parties thereto.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

PULLMAN INCORPORATED
(Pullman-Standard division),

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee,

by

Vice President

[Corporate Seal]

Attest:

Assistant Trust Officer

NORTH AMERICAN CAR CORPORATION,
in its capacities as Lessee and
as a Builder,

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

STATE OF ILLINOIS,))
COUNTY OF COOK,) ss.:

On this day of 1974, before me ,
personally appeared , to me personally
known, who, being by me duly sworn, says that he is Vice
President of PULLMAN INCORPORATED (Pullman-Standard division),
that one of the seals affixed to the foregoing instrument is
the corporate seal of said corporation, that said instrument
was signed and sealed on behalf of said corporation by
authority of its Board of Directors and he acknowledged
that the execution of the foregoing instrument was the
free act and deed of said corporation.

Notary Public

My Commission expires

STATE OF ILLINOIS,)
) ss. :
COUNTY OF COOK,)

On this day of 1974, before me
personally appeared , to me personally
known, who, being by me duly sworn, says that he is

of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the
seals affixed to the foregoing instrument is the corporate
seal of said bank, that said instrument was signed and sealed
on behalf of said bank by authority of its Board of Directors
and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said bank.

Notary Public

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1974, before me personally appeared , to me personally knowm, who, being by me duly sworn, says that he is Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Notary Public

My Commission expires

INSTRUCTION OF BENEFICIARY TO OWNER TRUSTEE

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, Illinois 60690

Attention: Trust Department

Dear Sirs:

Reference is made to a Trust Agreement dated as of July 15, 1974, between the undersigned and you, as Trustee (the Trust Agreement). We instruct you to enter into an Amendment Agreement dated as of December 1, 1974, to the Conditional Sale Agreement and the Lease (as defined in the Trust Agreement) in the form to which this instruction is attached.

Very truly yours,

GENERAL ELECTRIC CREDIT CORPORATION,

(CORPORATE SEAL)

by

Attest:

Title: _____

Date: _____

PRIOR WRITTEN CONSENT

First Pennsylvania Bank N.A., as Agent under a Finance Agreement, dated as of July 15, 1974, hereby gives its prior written consent to the Amendment Agreement dated as of December 1, 1974, between Exchange National Bank of Chicago, as Trustee, Pullman Incorporated (Pullman Standard division) and North American Car Corporation with respect to the Conditional Sale Agreement and the Lease (as defined in said Amendment Agreement), in the form to which this consent is attached.

FIRST PENNSYLVANIA BANK N.A.,
as Agent

by

W. M. Krayner

W. M. KRAYNER
VICE PRESIDENT

Title: _____

Date: DEC 10 1974

(CORPORATE SEAL)

Attest:

D. P. DORVILLE

D. P. DORVILLE
ASSISTANT SECRETARY

EXHIBIT A

To 7708-C

CONDITIONAL SALE AGREEMENT

Dated as of July 15, 1974

among

PULLMAN INCORPORATED
(Pullman-Standard division)

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO,

as Trustee

Conformed to reflect Amendment Agreements dated as of November 20, 1974, and December 1, 1974, among Pullman Incorporated, North American Car Corporation and Exchange National Bank of Chicago, as Trustee.

CONDITIONAL SALE AGREEMENT dated as of July 15, 1974, among each of the corporations named in Item 1 of Annex A hereto (the foregoing corporations being hereinafter collectively called the Builders or severally the Builder, or collectively or severally called the Vendor as the context may require, all as more particularly set forth in Article 1 hereof), EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee (hereinafter, together with its successors and assigns, being called the Vendee), under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary), and NORTH AMERICAN CAR CORPORATION (hereinafter, in its capacity as Lessee and guarantor, called the Lessee).

WHEREAS, the Builders have severally agreed to construct, sell and deliver to the Vendee, and the Vendee agrees to purchase, the railroad equipment described in Annex B hereto (hereinafter called the Equipment);

WHEREAS, the Vendee is entering into a lease dated as of the date hereof with the Lessee in substantially the form annexed hereto as Annex C (hereinafter called the Lease) and the Lessee is willing to guarantee to the Vendor the due and punctual payment of all sums payable by, and the due and punctual performance of all other obligations of, the Vendee under this Agreement and has joined in this Agreement for the purpose of setting forth the terms and conditions of such guaranty and making certain further agreements as hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. *Assignment; Definitions.* The parties hereto contemplate that the Vendee will furnish that portion of the purchase price for the Equipment as is required under subparagraph (a) of the third paragraph of Article 4 hereof and that an amount equal to the balance of such purchase price shall be paid to the appropriate Builder by an assignee of such Builder's right, title and interest under this Agreement pursuant to an Agreement and Assignment (hereinafter called the Assignment) between the Builders and First Pennsylvania Bank N.A., as agent (hereinafter called the Assignee) under a Finance Agreement dated as of the date hereof

(hereinafter called the Finance Agreement) with the Lessee, the Vendee and the parties named in Schedules A and B thereto (said parties named in Schedule A hereinafter called the Interim Investors and said parties named in Schedule B hereinafter called the Long-Term Investors) in the form annexed hereto as Annex E.

The term "Vendor", whenever used in this Agreement, means, before any assignment of its rights hereunder, the party hereto which has manufactured the Equipment and any successor or successors for the time being to its manufacturing properties and business, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment; and the term "Builder", whenever used in this Agreement, means, both before and after any such assignment, the respective corporation (as to the units of Equipment to be constructed by such corporation and sold hereunder) named in Item 1 of Annex A hereto and any successor or successors for the time being to its respective manufacturing properties and businesses.

The rights and obligations of the Builders under this Agreement are several in accordance with their interests and not joint. Accordingly, whenever this Agreement, by the use of such designation as "the Vendor", "such Builder" or other similar term, confers a right or imposes an obligation upon any corporation named in Item 1 of Annex A hereto or its successor, such right or obligation shall be construed to accrue to or to be enforceable against only the specific corporation furnishing the units of Equipment giving rise to such right or obligation and its successors as herein provided.

In case of such assignment, the Vendee will assign to the Vendor, as security for the payment and performance of all the Vendee's obligations hereunder, all right, title, and interest of the Vendee in and to the Lease, pursuant to an Assignment of Lease and Agreement in substantially the form of Annex D hereto (hereinafter called the Assignment of Lease).

Any and all agreements set forth in Annex A hereto shall be deemed to be part of this Agreement as though such agreements had been set forth in this instrument.

ARTICLE 2. Construction and Sale. Pursuant to this Agreement, each Builder shall construct the units of Equipment to be constructed by it as

described in Annex B hereto (such Equipment with respect to each Builder being hereinafter sometimes called its Equipment) and will sell and deliver to the Vendee, and the Vendee will purchase from such Builder and accept delivery of and pay for (as hereinafter provided), such Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between such Builder, the Vendee and the Lessee (which specifications and modifications, if any, are hereinafter called the Specifications). The design, quality and component parts of each unit of the Equipment shall conform, on the date of completion of manufacture thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, and each such unit will be new railroad equipment.

ARTICLE 3. *Inspection and Delivery.* Each Builder will deliver the units of its Equipment to the Vendee at the place or places specified in Annex B hereto (or at such other place or places designated from time to time by the Vendee), freight charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; *provided, however*, that delivery of any unit of its Equipment shall not be made until this Agreement and the Lease have been filed pursuant to Section 20c of the Interstate Commerce Act; *provided further*, that no Builder shall have any obligation to deliver any unit of its Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) of Article 16 hereof or the occurrence of any event of default (as described in Article 16 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default.

Each Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond such Builder's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

Notwithstanding the preceding provisions of this Article 3, any Equipment not delivered and accepted on or prior to December 31, 1974 and not settled for pursuant to Article 4 hereof on or before January 31, 1975 shall

be excluded herefrom. If any Equipment shall be excluded herefrom pursuant to the immediately preceding sentence, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom. If a Builder's failure to deliver its Equipment so excluded herefrom resulted from one or more of the causes set forth in the immediately preceding paragraph, the Lessee shall be obligated to purchase such Equipment and pay the full purchase price therefor, determined as provided in this Agreement, if and when such Equipment shall be completed and delivered by such Builder, such payment to be in cash on the delivery of such Equipment, either directly or, in case the Lessee shall arrange therefor, by means of a conditional sale agreement, equipment trust or such other appropriate method of financing as the Lessee shall determine and as shall be reasonably acceptable to such Builder.

During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Vendee (who may be employees of the Lessee) and each Builder shall grant to such authorized inspectors reasonable access to its plant. Each Builder agrees to inspect all materials used in the construction of the Equipment in accordance with the standard quality control practices of such Builder. Upon completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an inspector of the Vendee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of the Vendee (who may be an employee of the Lessee) shall execute and deliver to such Builder a certificate of acceptance (hereinafter called the Certificate of Acceptance) stating that such unit or units have been inspected and accepted on behalf of the Vendee and are marked in accordance with Article 10 hereof; *provided, however*, that such Builder shall not thereby be relieved of its warranty referred to in Article 14 hereof.

On delivery by a Builder of each such unit hereunder at the place specified for delivery, such Builder shall have no further responsibility for, nor bear any risk of, any damage to or the destruction or loss of such unit; *provided, however*, that such Builder shall not thereby be relieved of its warranty referred to in Article 14 hereof.

ARTICLE 4. Purchase Price and Payment. The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or

prices are subject to such increase or decrease as is agreed to by the Builder thereof, the Vendee and the Lessee. The term "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased. If on any Closing Date (as hereinafter defined in this Article) the aggregate Purchase Price of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Annex A hereto, the Builder of such Equipment (and any assignee of such Builder) and the Lessee will, upon request of the Vendee, enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Vendee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price under this Agreement to not more than the Maximum Purchase Price specified in Annex A hereto, and the Lessee agrees to purchase any such unit or units so excluded from this Agreement from the Builder thereof for cash on the date such unit or units would otherwise have been settled for under this Agreement either directly, or, if the Builder thereof and the Lessee shall mutually agree, by means of a conditional sale, equipment trust or other appropriate method of financing.

The Equipment shall be settled for in such number of groups of units of the Equipment delivered to and accepted by the Vendee as is provided in Item 2 of Annex A hereto (each such group being hereinafter called a Group). The term "Closing Date" with respect to any Group shall mean such date (not earlier than December 16, 1974 and not later than January 31, 1975, such later date being herein called the Cut-Off Date), occurring not more than ten business days following presentation by a Builder to the Vendee of the invoice and of the Certificate or Certificates of Acceptance for the Equipment and written notice thereof by a Builder to the Lessee, as shall be fixed by the Lessee by written notice delivered to the Vendee and the Vendor at least six business days prior to the Closing Date designated therein (unless a shorter notice is otherwise agreed to). The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, Chicago, Illinois or Philadelphia, Pennsylvania, are authorized or obligated to remain closed.

The Vendee hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such

place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) On the Closing Date with respect to each Group an amount equal to 30% of the aggregate Purchase Price of such Group; and,

(b) In 34 semiannual instalments, as hereinafter provided, an amount equal to the aggregate Purchase Price of the units of Equipment for which settlement is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph.

The portion of the Purchase Price payable pursuant to subparagraph (b) of the preceding paragraph (herein called the Conditional Sale Indebtedness) shall be payable on each January 1 and July 1, commencing July 1, 1975, to and including January 1, 1992 (or if any such date is not a business day, on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest (i) from each Closing Date in respect of which such Conditional Sale Indebtedness was incurred in respect of the interest of each Interim Investor (as defined in the Finance Agreement) therein to and including April 1, 1974 (such date being hereinafter called the Take-Out Date) on which a Long-Term Investor (as defined in the Finance Agreement) acquires the interest of such Interim Investor in the Conditional Sale Indebtedness pursuant to the Finance Agreement (such acquisition being hereinafter called a Take-Out) at a rate equal to a rate computed on a daily basis on each day equal to the prime rate which American National Bank and Trust Company of Chicago charges for 90-day loans to commercial borrowers of the highest credit rating from time to time in effect plus 3% (hereinafter called the Interim Rate); (ii) from the Take-Out Date to and including January 1, 1992, in respect of the interest of the Long-Term Investor in such Conditional Sale Indebtedness who acquired the interest of an Interim Investor on the Take-Out as aforesaid at the rate of 11½% per annum (hereinafter called the Long-Term Debt Rate) and (iii) from the Closing Date in respect of which such Conditional Sale Indebtedness was incurred to and including January 1, 1992, in respect of the interest of any Long-Term Investor in the Conditional Sale Indebtedness not otherwise acquired on the Take-Out at a rate per annum equal to the Long-Term Debt Rate. Such interest shall be payable, to the extent accrued, on

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January 1, 1975 (in respect of the Long-Term Investors), on the Take-Out Date (in respect of the Interim Investors), and on each Payment Date thereafter. The instalments of principal payable on each Payment Date shall be calculated so that the aggregate of Conditional Sale Indebtedness and interest payable on each Payment Date shall be substantially equal and such instalments of Conditional Sale Indebtedness shall completely amortize the Conditional Sale Indebtedness. In determining the instalment of Conditional Sale Indebtedness payable on July 1, 1975, it shall be assumed that interest is payable for an entire 6-month period at the Long-Term Debt Rate. The Vendee will furnish to the Vendor and the Lessee promptly after the Cut-Off Date a schedule, in such number of counterparts as shall be requested by the Vendor, showing the amounts of Conditional Sale Indebtedness and interest payable on each Payment Date.

Interest at the Long-Term Debt under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months. Interest at the Interim Rate under this Agreement shall be determined on a basis of a 365-day year.

The Vendee will pay interest, to the extent legally enforceable, at a rate per annum of 1% in excess of the interest rate or rates at the times payable on the Conditional Sale Indebtedness upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in this Article 4 and in Article 7 hereof, the Vendee shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

The obligation of the Vendee to pay to the Vendor any amount required to be paid pursuant to the third paragraph of this Article with respect to any Group is specifically subject to the fulfillment, on or before the Closing Date in respect of such Group, of the following conditions (any of which may be waived by the Vendee, and payment by the Vendee of the amount specified in subparagraph (a) of the third paragraph of this Article with respect to such Group shall be conclusive evidence that such conditions have been fulfilled or irrevocably waived *provided, however* that the

condition set forth in the following subclause (b) may not be waived without prior written consent of the Vendor):

(a) the Assignee shall have paid or caused to have been paid to the appropriate Builder the amounts contemplated to be paid by it as provided in Article 1 hereof and in the Assignment and the documents required by the Assignment shall have been delivered;

(b) no event of default of the Lessee specified herein or Event of Default of the Lessee under the Lease, nor any event which with lapse of time and/or demand provided for herein or in the Lease could constitute such an event of default or Event of Default, shall have occurred and be continuing; and

(c) the Beneficiary shall have received the documents required by the Participation Agreement dated as of the date hereof among the Lessee and the Beneficiary, and such other documents as the Beneficiary or Vendee may reasonably request.

Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 16 and 17 hereof), it is understood and agreed by the Vendor that the liability of the Vendee for all payments to be made by it under and pursuant to this Agreement, with the exception only of the payments to be made pursuant to subparagraph (a) of the third paragraph of this Article, shall not exceed and shall be payable only out of, the "income and proceeds from the Equipment", and such payments shall be made by the Vendee only to the extent that the Vendee or any assignee of the Vendee shall have actually received sufficient "income or proceeds from the Equipment" to make such payments. Except as provided in the next preceding sentence, the Vendor agrees that neither the Vendee nor the Beneficiary shall have any personal liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Vendee or any assignee of the Vendee. In addition, the Vendor agrees that the Vendee (i) makes no representation or warranty, and is not responsible for, the due execution, validity, sufficiency or enforceability of the Lease in so far as it relates to the Lessee (or any document relative thereto) or of any of the Lessee's obligations thereunder and (ii) shall not be responsible for the performance or observance by the Lessee of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease; it being

understood that as to all such matters the Vendor will look solely to the Vendor's rights under this Agreement against the Lessee and the Equipment and to the Vendor's rights under the Lease against the Lessee and the Equipment. As used herein the term "income and proceeds from the Equipment" shall only mean (i) if one of the events of default specified in Article 16 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Vendee or any assignee of the Vendee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences (as defined in Article 7 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 10 or any other provision of the Lease and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition, (it being understood and agreed that all amounts of "income and proceeds from the Equipment" in excess of the unpaid Conditional Sale Indebtedness and interest thereon or other amounts due to the Vendor under this Agreement shall be paid to the Vendee), and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b), not including amounts paid by the Lessee to the Vendee as reimbursement of sums paid by the Vendee on account of prior defaults under paragraph (a) of Article 16, as are indefeasibly received by the Vendee or any assignee of the Vendee and as shall equal the portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Vendee or any assignee of the Vendee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Vendee or any assignee of the Vendee were required to be paid to it pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the

time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Vendee shall derogate from the right of the Vendor to proceed against the Equipment or the Lessee as provided for herein for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Articles 16 and 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Vendee for an amount in excess of the amounts payable by the Vendee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph.

ARTICLE 5. *Title to the Equipment.* The Vendor shall and hereby does retain the full security title to and property in the Equipment until the Vendee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Vendee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee and the Lessee as provided in this Agreement. Any and all additions to the Equipment and any and all parts installed on and additions and replacements made to any unit of the Equipment shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, and all the Vendee's obligations herein contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Vendee at that time, will (a) execute a bill or bills of sale for the Equipment transferring its title thereto and property therein to the Vendee, or upon its order, free of all liens, security interests and other encumbrances created or retained hereby or otherwise created by the Vendor or its assigns and deliver such bill or bills of sale to the Vendee at its address referred to in Article 21 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in

all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to the Equipment and (c) pay to the Vendee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Vendee.

ARTICLE 6. Taxes. Subject to the provisions of Article 22 hereof, all payments to be made by the Vendee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than net income taxes, gross receipts taxes [except gross receipts taxes in the nature of or in lieu of sales, use or rental taxes], franchise taxes measured by net income based upon such receipts, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions), all of which impositions the Vendee assumes and agrees to pay on demand. The Vendee will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all impositions assessed upon the Vendee or which result in a lien upon any part of the Equipment; *provided, however,* that the Vendee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the title, property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any impositions shall have been charged or levied against the

Vendor directly and paid by the Vendor, the Vendee shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; *provided, however*, that the Vendee shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Vendee shall have approved the payment thereof.

ARTICLE 7. *Maintenance; Casualty Occurrences; Insurance.* Subject to the provisions of Article 22 hereof, the Vendee agrees that, at its own cost and expense, it will maintain and keep each unit of the Equipment in good order and repair, reasonable wear and tear excepted.

In the event that any unit of the Equipment shall be worn out, lost, stolen, destroyed, irreparably damaged or permanently rendered unfit, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences), the Vendee and the Lessee shall, promptly after they shall have reasonably determined that such unit has suffered a Casualty Occurrence cause the Vendor to be fully informed in regard thereto. On the next succeeding date for the payment of the Conditional Sale Indebtedness and, in the case of Casualty Occurrences occurring prior to January 1, 1975, on January 1, 1975 (each such date being hereinafter called a Casualty Payment Date), the Vendee shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined in this Article) of such unit suffering a Casualty Occurrence as of the date of such payment and shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this paragraph shall be applied to prepay without penalty or premium, ratably in accordance with the unpaid balance of each instalment, the Conditional Sale Indebtedness and the Vendee will promptly furnish to the Vendor and the Lessee a revised schedule of payments of the Conditional Sale Indebtedness and interest thereafter to be made, in such number of counterparts as the Assignee may request, calculated as provided in the fourth paragraph of Article 4 hereof.

Upon payment by the Vendee to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Vendee, without further transfer or action on the part of the

Vendor, except that the Vendor, if requested by the Vendee, will execute and deliver to the Vendee, at the expense of the Vendee, an appropriate instrument confirming such passage to the Vendee of all the Vendor's right, title and interest in such unit, in recordable form, in order that the Vendee may make clear upon the public records the title of the Vendee to such unit.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article), plus interest accrued thereon but unpaid as of such date. For the purpose of this paragraph, each payment of the Purchase Price in respect of Equipment made pursuant to Article 4 hereof shall be deemed to be a payment on each unit of the Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of the Equipment.

The Lessee will at all times prior to the payment of the full Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon and all other payments required hereby, at its own expense, cause to be carried and maintained property insurance in respect of the Equipment at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it. The proceeds of such insurance shall be payable to the Vendor, the Vendee and the Lessee as their interests may appear.

Any insurance proceeds or condemnation payments received by the Vendor in respect of units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Vendee to the Vendor in respect of Casualty Occurrences pursuant to the second paragraph of this Article. If the Vendor shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence after the Vendee shall have made payments pursuant to this Article without deduction for such insurance proceeds or condemnation payments, the Vendor shall pay such insurance proceeds or condemnation payments to the Vendee. All insurance proceeds or condemnation payments received by the Vendor in respect any unit or units of Equipment not suffering a Casualty Occurrence shall be paid to the Vendee upon proof satisfactory to the Vendor that any

damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 8. *Obligations of Lessee.* The Lessee represents and warrants to the Vendor that the rentals and other obligations under the Lease have been calculated so as to provide for the due and punctual payment of the Conditional Sale Indebtedness and interest thereon and the due and punctual performance of all other obligations of the Vendee under this Agreement (except the obligations of the Vendee under subparagraph (a) of the third paragraph of Article 4 hereof) and that, pursuant to the Assignment of Lease, the Vendor will have the indefeasible right to apply such rental payments and other payments under the Lease to the payment of the Conditional Sale Indebtedness and interest thereon and the payment of such other obligations under this Agreement. The Lessee, for value received, hereby unconditionally guarantees to the Vendor that the Conditional Sale Indebtedness and interest thereon will be duly and punctually paid when due and all other obligations of the Vendee will be duly and punctually performed (except for the obligations of the Vendee under subparagraph (a) of the third paragraph of Article 4 hereof), whether at stated maturity or by declaration or otherwise, by the due and punctual payment of the rentals and the due and punctual performance of the other obligations of the Lessee under the Lease, irrespective of any enforcement against the Vendee of any of the rights of the Vendor hereunder.

The Lessee hereby agrees that its aforesaid guaranty hereunder shall be unconditional (and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever), irrespective of the genuineness, validity, regularity or enforceability of this Agreement, the Lease, the Assignment of Lease, any failure of the Lessee to make its rental or other payments under the Lease to the Vendor pursuant to the Assignment of Lease, any failure of the Lessee to perform any other obligation under the Lease for any reasons whatsoever (including termination of the Lease by operation of law or otherwise) or any interference with the right of the Vendor to apply such rental or other payments as provided in the Assignment of Lease (including any such interference as a result of proceedings specified in clause (c) of Article 16 of this Agreement), and irrespective of the last paragraph of Article 4 hereof, Article 22 hereof or any other circumstances which might otherwise limit the recourse of the Vendor to the Vendee. The Lessee

hereby waives diligence, presentment, demand of payment, protest, any notice of any assignment hereof in whole or in part or of any default hereunder and all notices with respect to this Agreement and all demands whatsoever hereunder. No waiver by the Vendor of any of its rights hereunder and no action by the Vendor to enforce any of its rights hereunder or failure to take, or delay in taking, any such action shall affect the obligations of the Lessee hereunder. The Lessee hereby agrees that any rights that it may acquire by reason of performance of its obligations hereunder, by subrogation or otherwise, may not be exercised against the Vendee under this Agreement or with respect to any of the units of the Equipment until the Vendor has been paid all sums payable to it under this Agreement.

ARTICLE 9. *Reports and Inspections.* Subject to the provisions of Article 22 hereof, on or before March 31 in each year, commencing with the year 1975, the Vendee shall cause to be furnished to the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all units of the Equipment then subject to this Agreement, the amount, description and numbers of all units of the Equipment that have suffered a Casualty Occurrence or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year and such other information regarding the condition and state of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by Article 10 hereof have been preserved or replaced. The Vendor shall have the right, by its agents, to inspect the Equipment and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. *Marking of Equipment.* Subject to the provisions of Article 22 hereof, the Vendee will cause each unit of the Equipment to be kept numbered with the identifying number of the Lessee as set forth in Annex B hereto, or, in the case of Equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed under the Interstate Commerce Act, Section 20c"

or other appropriate words designated by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's interest in the Equipment and its rights under this Agreement. The Vendee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such markings shall have been made thereon and will replace or will cause to be replaced promptly any such markings which may be removed, defaced or destroyed. The Vendee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by the Vendee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Vendee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates or any sublessees authorized by §12 of the Lease.

ARTICLE 11. *Compliance with Laws and Rules.* Subject to the provisions of Article 22 hereof, during the term of this Agreement, the Vendee will comply, and will cause every lessee of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Equipment, the Vendee will conform therewith at its own expense; *provided, however*, that the Vendee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 12. *Possession and Use.* The Vendee, so long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Vendee, to the possession and quiet enjoyment of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Vendee may lease the Equipment to the Lessee as permitted by, and for use as provided in, the Lease, but the rights of the Lessee and its permitted assigns (the Lessee hereby so acknowledging) under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement; *provided, however*, that so long as the Lessee shall not be in default under the Lease or under this Agreement in its capacity as guarantor or otherwise, the Lessee shall be entitled to the possession and use of the Equipment. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

In the event that the Lease shall be terminated, the Vendee may also lease the Equipment to any company incorporated in any state in the United States or in the District of Columbia with the prior written consent of the Vendor; *provided, however*, that (i) such lease shall provide that the rights of such lessee are made expressly subordinate to the rights and remedies of the Vendor under this Agreement, (ii) such lessee shall expressly agree not to assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America and (iii) a copy of such lease shall be furnished to the Vendor.

ARTICLE 13. *Prohibition Against Liens.* Subject to the provisions of Article 22 hereof, the Vendee will pay or discharge any and all sums claimed by any party from, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or

otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

ARTICLE 14. *Indemnities and Warranties.* Subject to the provisions of Article 22 hereof, the Vendee agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement, the retention by the Vendor of title to or a security interest in the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any of the Equipment, or any accident in connection with the operation, use, condition, possession, storage or return of any of the Equipment resulting in damage to property or injury or death to any person or the transfer of title to the Equipment by the Vendor pursuant to any of the provisions of this Agreement, except however, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any tort, breach of warranty or failure to perform any covenant hereunder by a Builder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price of, and the conveyance of security title to, the Equipment, as provided in Article 5 hereof, or the termination of this Agreement in any manner whatsoever.

The Vendee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

The agreement of the parties relating to each Builder's warranty of material and workmanship and the agreement of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto.

ARTICLE 15. *Assignments.* The Vendee will not (a) except as provided in Article 12 hereof, and Articles VI and VII of the Trust Agreement,

transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement unless such sale, assignment, transfer or disposition (i) is made expressly subject in all respects to the rights and remedies of the Vendor hereunder (including, without limitation, rights and remedies against the Vendee and the Lessee) and (ii) provides that the Vendee shall remain liable for all the obligations of the Vendee under this Agreement. Subject to the preceding sentence, any such sale, assignment, transfer or disposition may be made by the Vendee without the vendee, assignee or transferee assuming any of the obligations of the Vendee hereunder.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Vendee and the benefits arising from the undertakings of the Lessee hereunder, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve a Builder from, any of the obligations of such Builder to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities contained or referred to in Article 14 hereof, or relieve the Vendee or the Lessee of their respective obligations to such Builder contained in Articles 2, 3, 4, 6, 8 and 14 hereof, Annex A hereto and this Article 15, or any other obligation which, according to its terms and context, is intended to survive an assignment.

Upon any such assignment by the Vendor, either the assignor or the assignee shall give written notice to the Vendee and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee and the Lessee, respectively, of the notification of any such assignment, all payments thereafter to be made by the Vendee or the Lessee under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

The Vendee and the Lessee recognize that it is the custom of railroad equipment manufacturers or sellers to assign agreements of this character and understand that the assignment of this Agreement, or of some of or all

the rights of the Vendor hereunder, is contemplated. The Vendee and the Lessee expressly represent, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Vendor as hereinbefore provided, the rights of such assignee to the entire unpaid Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of a Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by a Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee or the Lessee, as the case may be, against and only against a Builder.

The Vendee and the Lessee will (a) in connection with each settlement for the Equipment, deliver to the assignee, at the time of delivery of notice fixing the Closing Date for such Equipment, all documents required by the terms of such assignment to be delivered by the Lessee or the Vendee, as the case may be, to such assignee in connection with such settlement, in such number of counterparts or copies as may reasonably be requested, except for any opinion of counsel for such assignee, and (b) furnish to such assignee such number of counterparts of any other certificate or paper required by the Vendor as may reasonably be requested.

If a Builder shall not receive on its Closing Date the aggregate Purchase Price in respect of all of the Equipment proposed to be settled for on such Closing Date, such Builder will promptly notify the Vendee and the Lessee of such event and, if such amount shall not have been previously paid, the parties hereto will, upon the request of such Builder, enter into an appropriate written agreement with such Builder excluding from this Agreement those units of Equipment whose aggregate Purchase Price shall not have been received, and the Lessee will, not later than 90 days after such Closing Date, pay or cause to be paid to such Builder the aggregate unpaid Purchase Price of such units, together with interest thereon from such

Closing Date to the date of payment by the Guarantor at the highest prime rate of interest on 90 day unsecured loans charged to its largest most credit worthy customers by any of the four New York City banks having the largest total assets (based on the most recent preceding available annual reports of such banks) in effect on the date such payment is due.

ARTICLE 16. Defaults. In the event that any one or more of the following events of default shall occur and be continuing (irrespective of the provisions of the last paragraph of Article 4 hereof, Article 22 hereof or any other provision of this Agreement limiting the liability of the Vendee), to wit:

(a) The Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due hereunder and such default shall continue for 10 business days; or

(b) The Vendee or the Lessee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, or of any agreement entered into concurrently herewith relating to the financing of the Equipment, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) Any proceeding shall be commenced by or against the Vendee or the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee or the Vendee hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Vendee or the Lessee under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee or the Lessee, as the case may be, under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Vendee or the

Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(d) The Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Vendee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the rights of the Lessee set forth in Article 12 hereof, cause the Lease immediately upon such notice to terminate (and the Vendee and the Lessee each acknowledge the right of the Vendor to terminate the Lease) and/or (ii) declare (hereinafter called a Declaration of Default) the entire unpaid Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. Upon a Declaration of Default, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee or the Lessee wherever situated, subject, in the case of the Vendee, to the limitations set forth in the last paragraph of Article 4. The Vendee or the Lessee, as the case may be, shall promptly notify the Vendor of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Vendee and the Lessee in writing

to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee and the Lessee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17. *Remedies.* At any time during the continuance of a Declaration of Default, the Vendor may, subject to the rights of the Lessee set forth in Article 12 hereof, and in compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Vendee or the Lessee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Vendee, the Lessee or any other person and for such purpose may enter upon the premises of the Lessee or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Lessee.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points on the lines or premises of the Lessee or on any lines of railroad or other premises approved by the Vendor for the delivery of the Equipment to the Vendor, the Lessee shall (subject to the rights of the Lessee set forth in Article 12 hereof), at its own expense and risk, forthwith and in the usual manner cause (a) the Equipment to be moved to such point or points as shall be designated by the Vendor and shall there deliver the Equipment or cause it to be delivered to the Vendor and (b) the Equipment to be moved to such point or points as shall be designated by the Vendor upon any sale, lease or other disposal of all or any part of the Equipment by the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on any of the lines or premises of the Lessee or on any lines of railroad or other premises approved by the Vendor until the Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose the Lessee agrees to

furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to the Lessee and, at the Lessee's risk, to permit inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Vendee and/or the Lessee requiring specific performance hereof. The Vendee and the Lessee hereby expressly waive any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner. The foregoing liability of the Vendee is subject to the limitations set forth in Article 22 hereof.

At any time during the continuance of a Declaration of Default, the Vendor may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Vendee and the Lessee by telegram or registered mail, addressed as provided in Article 21 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Vendee's rights in the Equipment shall thereupon terminate and all payments made by the Vendee and the Lessee may be retained by the Vendor as compensation for the use of the Equipment; *provided, however*, that if the Vendee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee; *provided, further*, that if the Vendee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the

Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Vendee, the Lessee and any other persons to whom the law may require notice of the time and place, may, subject to the rights of the Lessee set forth in Article 12 hereof, sell the Equipment, or one or more of the units thereof, free from any and all claims of the Vendee, the Lessee or any other party claiming from, through or under the Vendee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; *provided, however*, that if, prior to such sale and prior to the making of a contract for such sale, the Vendee should tender full payment of the total unpaid balance of the Conditional Sale Indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement, and the balances if any, paid to the Vendee as hereinafter provided.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the

property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Vendee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Vendee and the Lessee shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 21 hereof. If such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 persons shall have been solicited in writing to submit bids) it shall be subject to the right of the Lessee to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Vendee or the Lessee (except to the extent of surplus money received as hereinafter provided in this Article 17), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder. From and after the date of any such sale, the Lessee shall pay to the Vendor the per diem interchange for each unit of Equipment which shall not have been assembled, as hereinabove provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser at such sale.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee or the Lessee shall not otherwise alter or affect the Vendor's rights or the Vendee's or the Lessee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed

to alter or affect the Vendee's or the Lessee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Vendee shall pay the amount of such deficiency to the Vendor upon demand, together with the interest from the date of such demand to the date of payment at the rate or rates per annum set forth in the sixth paragraph of Article 4 hereof, and, if the Vendee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee or the Lessee, as the case may be, to the extent of their respective interests therein. The foregoing liability of the Vendee is subject to the limitations set forth in Article 22 hereof.

The Vendee will, subject to the last paragraph of Article 4 hereof, pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 17 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18. *Applicable State Laws.* Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Vendee and the Lessee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Vendee and the Lessee, to the full extent permitted by law, hereby waive all statutory or

other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 19. *Recording.* Subject to the provisions of Article 22 hereof, the Vendee or the Lessee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act; and the Vendee and the Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; *provided, however*, that the Vendee shall not be required to take any such action referred to in this Article 19 (other than filing and recording under Section 20c of the Interstate Commerce Act) if (1) it deems such action unduly burdensome, (2) after giving effect to the failure to take such action, all action required by law has been taken so as to protect the security title of the Vendor to units of Equipment having a Purchase Price of not less than 90% of the aggregate Purchase Price of all of the then existing Equipment. and the Vendee and the Lessee will promptly furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 20. *Article Headings; Effect and Modification of Agreement.* All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

This Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor, the Vendee and the Lessee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor, the Vendee and the Lessee.

ARTICLE 21. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Vendee, at 130 South La Salle Street, Chicago, Illinois 60690, attention of Trust Department, with copies to the Beneficiary at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager—Operations and Loan Officer—Rail.

(b) to the Lessee, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President—Finance.

(c) to any Builder, at its address specified in Item 1 of Annex A hereto,

(d) to any assignee of the Vendor, or of the Vendee, at such address as may have been furnished in writing to the Vendee, or the Vendor, as the case may be, and to the Lessee, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 22. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Vendee, the Lessee or the Builder (or Vendor), solely by reason of the fact that such person is an incorporator, stockholder, director or officer as aforesaid, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

The covenants of the Vendee under the first paragraph of Article 7, and under Articles 6, 9, 10, 11, 13, 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects, and be of no further force or effect in so far as they involve personal liability of the Vendee, other than out of "income and proceeds from the Equipment" (as defined in Article 4 hereof), upon the execution and

delivery of the Lease (whether or not the Lease shall thereafter be amended, terminated or otherwise modified and irrespective of the genuineness, validity, regularity or enforceability of the Lease); *provided, however*, that such covenants and obligations shall be deemed covenants of the Vendee within the meaning of subparagraphs (a) and (b) of the first paragraph of Article 16 hereof (it being the intention of the parties hereto that neither the Vendee nor any of its properties shall be subject to any liability for any breach or alleged breach by it of any such covenant or obligation except out of the "income and proceeds from the Equipment", but that any such breach may be made the basis of an event of default under said Article 16). The execution and delivery of the Lease shall be presumed conclusively to have occurred, for the purpose of this Article, upon the delivery to the Vendee by the Vendor of written confirmation to such effect signed by the Agent. The Lessee shall be liable in respect of its guaranty hereunder for such obligations under said Articles regardless of whether or not the Lease provides for the discharge of such obligations or is in effect and irrespective of any limitation of the liability of the Vendee contained in the last paragraph of Article 4 hereof or in this Article 22. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Exchange National Bank of Chicago are each and every one of them made and intended not as personal representations, undertakings and agreements by said Bank, or for the purpose or with the intention of binding said Bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement referred to in the first paragraph hereof, and this Agreement is executed and delivered by said Bank solely in the exercise of the powers expressly conferred upon said Bank as trustee under said Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said Bank, or the Beneficiary or on account of any representation, undertaking or agreement of said Bank or the Beneficiary, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; *provided, however*, that the

Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing herein contained shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Vendee (provided that neither said Bank in its fiduciary or individual capacity, except for willful misconduct or gross negligence, nor the Beneficiary shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of said Bank or the Beneficiary) or, subject to the terms and conditions of the Lease, to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Lessee hereunder or under the Lease.

ARTICLE 23. *Law Governing.* The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 24. *Execution.* This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although for convenience this Agreement is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed. It shall not be necessary for all the Builders to execute and deliver this Agreement or to execute the same counterpart of this Agreement, but when this Agreement is executed and delivered by the Vendee, the Lessee and one or more Builders it shall be a legal, valid and binding Agreement among the Vendee, the Lessee and such Builder or Builders.

IN WITNESS WHEREOF the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

[CORPORATE SEAL]
PULLMAN INCORPORATED
(Pullman-Standard division),
by
Vice President

Attest:

.....
Assistant Secretary

[CORPORATE SEAL]
EXCHANGE NATIONAL BANK OF
CHICAGO, as Trustee,
by
Vice President

Attest:

.....
Assistant Trust Officer

[CORPORATE SEAL]
NORTH AMERICAN CAR CORPORATION,
in its capacities as Lessee and as a
Builder,
by
Vice President

Attest:

.....
Assistant Secretary

Notary Public

STATE OF ILLINOIS }
COUNTY OF COOK } SS.:

Notary Public

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this day of , 1974, before me personally appeared
, to me personally known, who, being by me duly sworn,
says that he is Vice President of NORTH AMERICAN CAR CORPORATION, that
one of the seals affixed to the foregoing instrument is the corporate seal of
said company, that said instrument was signed and sealed on behalf of said
company by authority of its Board of Directors and he acknowledged that
the execution of the foregoing instrument was the free act and deed of said
company.

.....
Notary Public

My Commission expires

**Annex A
to
Conditional Sale Agreement**

Item 1: (a) Pullman Incorporated (Pullman-Standard division), a Delaware corporation. 200 South Michigan Avenue. Chicago, Illinois 60604.

(b) North American Car Corporation, a Delaware corporation, 222 South Riverside Plaza. Chicago, Illinois 60606.

Item 2: The Equipment shall be settled for in not more than 4 Groups of units of the Equipment delivered to and accepted by the Vendee.

Item 3: Each Builder warrants that the Equipment built by it will be built in accordance with the requirements, specifications and standards set forth in Article 2 of the Conditional Sale Agreement to which this Annex A is attached (hereinafter called this Agreement) and warrants its Equipment will be free from defects in material (except as to specialties incorporated therein which were specified or supplied by the Lessee and not manufactured by such Builder) and workmanship under normal use and service, such Builder's obligation under this Item 3 being limited to making good at its factory any part or parts of any unit of the Equipment which shall be returned to such Builder with transportation charges prepaid, within one year after the delivery of such unit to the Vendee, and which such Builder's examination shall disclose to its satisfaction to have been thus defective. The foregoing warranty of each Builder is expressly in lieu of all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, except for its other obligations or liabilities under Articles 2, 3 and 4 of this Agreement and Item 4 of this Annex A, and such Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment, except as aforesaid. It is further understood and agreed that in no event shall such Builder be liable for indirect or consequential damages of any kind.

Each Builder further agrees with the Vendee that neither the inspection as provided in Article 3 of this Agreement nor any

examination nor the acceptance of any units of the Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Vendee of any of its rights under this Item 3.

- Item 4: Except in cases of articles or materials specified by the Lessee and not manufactured by a Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by such Builder, such Builder agrees to indemnify, protect and hold harmless the Vendee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee, its assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Lessee likewise will indemnify, protect and hold harmless the Vendor from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor because of the use in or about the construction or operation of any of the Equipment of any article or material specified by the Lessee and not manufactured by such Builder or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by such Builder which infringes or is claimed to infringe on any patent or other right. Each Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Vendee and the Lessee every claim, right and cause of action which such Builder has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by such Builder for use in or about the construction or operation of any of the Equipment, on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. Each Builder further agrees to execute and deliver to the Vendee and the

Lessee all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. Each Builder will give notice to the Vendee and the Lessee of any claim known to such Builder from which liability may be charged against the Lessee hereunder and the Vendee and the Lessee will give notice to such Builder of any claim known to them from which liability may be charged against such Builder hereunder. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

Item 5: Maximum Purchase Price: \$20,000,000.

**Annex C
to Conditional
Sale Agreement**

LEASE OF RAILROAD EQUIPMENT

Dated as of July 15, 1974,

between

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee

**Conformed to reflect Amendment Agreements dated as of November 20, 1974,
and December 1, 1974, among Pullman Incorporated, North American Car
Corporation and Exchange National Bank of Chicago, as Trustee.**

LEASE OF RAILROAD EQUIPMENT dated as of July 15, 1974 between NORTH AMERICAN CAR CORPORATION (hereinafter called the Lessee), and EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee (hereinafter, together with its successors and assigns, called the Lessor), under a Trust Agreement dated as of the date hereof with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary).

WHEREAS, the Lessor and the Lessee are entering into a conditional sale agreement dated as of the date hereof with PULLMAN INCORPORATED (Pullman-Standard division) and NORTH AMERICAN CAR CORPORATION, in its capacity as builder (such agreement, together with any supplements thereto, being hereinafter referred to as the Security Document and such parties being hereinafter collectively called the Builders or severally called the Builder) wherein the Builders have severally agreed to manufacture, sell and deliver to the Lessee the units of railroad equipment described in Schedule A hereto (hereinafter called the Group A Units and the Group B Units and together called the Units);

WHEREAS, each Builder is assigning its interest in the Security Document to First Pennsylvania Bank N.A., as agent under a Finance Agreement dated as of July 15, 1974 (hereinafter called the Finance Agreement) (hereinafter, together with its successors and assigns, called the Vendor) pursuant to an Agreement and Assignment dated as of July 15, 1974 (hereinafter called the Assignment);

WHEREAS, the Lessee desires to lease all the Units or such lesser number as are delivered and accepted and settled for under the Security Document at the rentals and for the terms and upon the conditions hereinafter provided;

WHEREAS, the Lessor is assigning for security purposes under the Security Document its rights in, to, and under this Lease to the Vendor pursuant to an Assignment of Lease and Agreement dated as of July 15, 1974 (hereinafter called the Lease Assignment);

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. *Net Lease.* This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent,

including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or under the Security Document, including the Lessee's rights by subrogation thereunder to the Builders or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§2. *Delivery and Acceptance of Units.* The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Security Document. The Lessor will cause each Unit to be delivered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Security Document. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Lessor a certificate of acceptance (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 3 of the Security Document, stating that such Unit has

been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§3. *Rentals.* The Lessee agrees to pay to the Lessor as rental for each Unit subject to this Lease one payment, as set forth below, on each of the following dates: January 1, 1975; April 1, 1975; and July 1, 1975; and 33 consecutive semiannual payments payable on January 1 and July 1 of each year commencing January 1, 1976. The rental payment due and payable on January 1, 1975, shall be in an amount equal to the sum of (i) an amount equal to the product of the funds deposited by the Long-Term Investors (as defined in the Security Document) on December 17, 1974, pursuant to the Finance Agreement multiplied by the daily equivalent of the Long-Term Debt Rate (as defined in the Security Document) for each day (computed on the basis of a 360-day year of 12 30-day months) elapsed from and including December 17, 1974, the date of such deposit, to January 1, 1975; plus (ii) an amount equal to the product of 30% of the Purchase Price of each such Unit then subject to this Lease and settled for pursuant to the Security Document prior to January 1, 1975, multiplied by .0263889% for each day elapsed from and including the date each such Unit was settled for under the Security Document to January 1, 1975, plus (iii) an amount equal to the product of the funds deposited by the Lessor pursuant to the Finance Agreement for settlement of the Units under the Security Document after December 30, 1974, multiplied by .0263889% for each day elapsed from and including the date such funds were so deposited to January 1, 1975. The rental payment due and payable on April 1, 1975, shall be in an amount equal to the product of the amount being repaid to the Interim Investors (as defined in the Security Document) on such date from funds deposited by the Long Term Investors on such date pursuant to the Finance Agreement multiplied by the daily equivalent of the Interim Rate (as defined in the Security Document) from time to time in effect, in each case for each day (computed on the basis of a 365-day year) elapsed from and including the date each such Unit subject to this Lease was settled for under the Security Document with those funds being repaid on April 1, 1975, which were provided by the Interim Investors pursuant to the Finance Agreement to April 1, 1975. The rental payment due and payable on July 1, 1975, shall be

in an amount equal to the sum of (i) an amount equal to the product of the Purchase Price of each such Group B Unit then subject to this Lease multiplied by 5.1696% of the Purchase Price of each such Group B Unit; plus (ii) an amount equal to the product of the Purchase Price of each such Group A Unit then subject to this Lease multiplied by 5.7722% of the Purchase Price of each such Group A Unit; less (iii) the product of the amount of funds deposited by the Long-Term Investor pursuant to the Finance Agreement on April 1, 1975, multiplied by 2.875%. The 33 semiannual rental payments due on each January 1 and July 1 in each year, commencing January 1, 1976, shall be in an amount equal to the sum of (i) an amount equal to the product of the Purchase Price of each such Group B Unit then subject to this Lease multiplied by 5.1696% of the Purchase Price of each such Group B Unit plus (ii) an amount equal to the product of the Purchase Price of each such Group A Unit then subject to this Lease multiplied by 5.7722% of the Purchase Price of each such Group A Unit.

If any of the semiannual rental payment dates referred to above is not a business day the semiannual rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, Chicago, Illinois or Philadelphia, Pennsylvania are authorized or obligated to remain closed.

Unless the Lease Assignment is not executed and delivered, the Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease (other than any amount payable in respect of a Unit which has not been settled for pursuant to the Security Document by reason of such Unit having suffered a Casualty Occurrence [as defined in § 7 hereof], which amount shall be paid to the Lessor at such place as the Lessor shall specify in writing), at the principal office of the Vendor, for the account of the Lessor, in care of the Vendor, with instructions to the Vendor first, to apply such payments to satisfy the obligations of the Lessor under the Security Document, known to the Vendor to be due and payable on the date such payments are due and payable hereunder, and second, so long as no event of default under the Security Document shall have occurred and be continuing, to pay any balance promptly to the Lessor or to the order of the Lessor in immediately available funds at such place as the Lessor shall specify in

writing. If the Lease Assignment is not executed and delivered, all payments provided for in this Lease shall be made at such place as the Lessor or the Beneficiary shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds in the city where such payment is to be made.

§ 4. *Term of Lease.* The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to §3 hereof.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units, or under the Security Document in its capacity as guarantor or otherwise, are subject to the rights of the Vendor under the Security Document. If an event of default should occur under the Security Document, the Vendor may terminate this Lease (or rescind its termination), all as provided therein.

§ 5. *Identification Marks.* The Lessee will for the benefit of the Lessor, the Beneficiary and the Vendee cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed under the Interstate Commerce Act, Section 20c" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Vendor's title to and property in such Unit and the rights of the Lessor under this Lease and of the Vendor under the Security Document. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Lessor and filed, recorded and deposited by the Lessee in all public

offices where this Lease and the Security Document shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Vendor and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Lessor's interests in such Units and no filing, recording, deposit or giving of notice with or to and other Federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Lessor in such Units.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Units may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates or any authorized sublessee.

§ 6. *Taxes.* All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, federal, or foreign taxes (other than any United States federal income tax [and, to the extent that the Lessor receives credit therefor against its United States federal income tax liability, any foreign income tax] payable by the Lessor in consequence of the receipt of payments provided for herein and other than the aggregate of all state or city income taxes or franchise taxes measured solely by net income based on such receipts, or gross receipts taxes [other than gross receipts taxes in the nature of sales or use taxes], up to the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Security Document, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or

operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or result in a lien upon any such Unit; *provided, however*, that the Lessee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor, adversely affect the title, property or rights of the Lessor hereunder or the Vendor under the Security Document. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of an invoice therefor.

In the event that the Lessor shall become obligated to make any payment to the Builder or the Vendor or otherwise pursuant to any correlative provision of the Security Document not covered by the foregoing paragraph of this §6, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Vendor in such Units or notify the Lessor and the Vendor of such requirement and make such reports in such manner as shall be satisfactory to the Lessor and the Vendor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this §6, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 7. *Payment for Casualty Occurrences; Insurance.* In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, or permanently rendered unfit from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in §14 hereof, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto. On the rental payment date (other than a

December 16, 1974, April 1, 1975 and August 15, 1975) next succeeding such notice (or, in the case of a Casualty Occurrence prior to the Closing Date, on the Closing Date) the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule set out below in this §7. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. If the date upon which the making of such payment by the Lessee in respect of any Unit is required as aforesaid shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit (which shall be the same percentage of the Purchase Price as is indicated in the schedule below opposite the last rental payment date), shall pay interest thereon from the end of such term to the date of such payment at the rate specified in the last paragraph of Article 15 of the Security Document. Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor after deduction from such excess of the reasonable expenses of the Lessee incident to such sale.

The Casualty Value of each Group A and Group B Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of each such Unit as is set forth in the following schedules opposite such date:

GROUP B UNITS

<u>Date</u>	<u>Percentage</u>
Closing Date	103.2075%
January 1, 1975	105.4189
July 1, 1975	105.3056

<u>Date</u>	<u>Percentage</u>
January 1, 1976.....	104.9296%
July 1, 1976	105.3105
January 1, 1977.....	105.4857
July 1, 1977	105.4681
January 1, 1978.....	105.2578
July 1, 1978	100.1943
January 1, 1979.....	99.6109
July 1, 1979	98.8472
January 1, 1980.....	97.9101
July 1, 1980	92.1658
January 1, 1981	90.9471
July 1, 1981	89.5916
January 1, 1982	88.0988
July 1, 1982	81.8061
January 1, 1983.....	79.9066
July 1, 1983	77.8671
January 1, 1984.....	75.6870
July 1, 1984	73.7699
January 1, 1985.....	70.9149
July 1, 1985	68.3258
January 1, 1986.....	65.6013
July 1, 1986	62.7449
January 1, 1987.....	59.7535
July 1, 1987	56.6295
January 1, 1988.....	53.3760
July 1, 1988	49.9800
January 1, 1989.....	46.4600
July 1, 1989	42.7860
January 1, 1990.....	38.9600
July 1, 1990	34.9754
January 1, 1991	30.8255
July 1, 1991	26.4930
January 1, 1992.....	20.0000
July 1, 1992	19.6540

<u>Date</u>	<u>Percentage</u>
January 1, 1993	19.2079%
July 1, 1993	18.6620
January 1, 1994	18.0159
July 1, 1994	17.2698
and thereafter	16.0399

GROUP A UNITS

<u>Date</u>	<u>Percentage</u>
Closing Date	103.2075%
January 1, 1975	105.4265
July 1, 1975	105.3127
January 1, 1976	104.6737
July 1, 1976	104.8494
January 1, 1977	104.8101
July 1, 1977	104.5686
January 1, 1978	104.1250
July 1, 1978	103.4853
January 1, 1979	102.6493
July 1, 1979	101.6233
January 1, 1980	100.4072
July 1, 1980	99.0074
January 1, 1981	97.4239
July 1, 1981	95.6754
January 1, 1982	93.7822
July 1, 1982	91.7484
January 1, 1983	89.3002
July 1, 1983	86.7138
January 1, 1984	83.9888
July 1, 1984	81.1286
January 1, 1985	78.1323
July 1, 1985	75.0033
January 1, 1986	71.7403
July 1, 1986	68.3466

<u>Date</u>	<u>Percentage</u>
January 1, 1987.....	64.8190%
July 1, 1987.....	61.1597
January 1, 1988.....	57.3716
July 1, 1988.....	53.4496
January 1, 1989.....	49.3879
July 1, 1989.....	45.1805
January 1, 1990.....	40.8211
July 1, 1990.....	36.3030
January 1, 1991.....	31.6192
July 1, 1991.....	26.7624
January 1, 1992.....	20.0000
July 1, 1992.....	19.6901
January 1, 1993.....	19.2906
July 1, 1993.....	18.8015
January 1, 1994.....	18.2229
July 1, 1994.....	17.5547
and thereafter.....	16.0399

Except as hereinabove in this §7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will, at all times while this Lease is in effect, at its own expense, cause to be carried and maintained property insurance in respect of the Units at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned or operated by it and the benefits thereof shall be payable to the Vendor, the Lessor and the Lessee, as their interests may appear, so long as the indebtedness, if any, evidenced by the Security Document shall not have been paid in full, and thereafter to the Lessor and the Lessee as their interests may appear. Lessee will deliver certificates evidencing any insurance effected or in force in accordance with the provisions of this paragraph and will cause such certificates to be endorsed so as to obligate the insurers thereunder to notify the Lessor at least 30 days in advance of any pending cancelation or material modification. Any insurance proceeds as the result of insurance carried by the

Lessee or condemnation payments received by the Lessor in respect of Units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Lessee to the Lessor in respect of Casualty Occurrences pursuant to this §7. If the Lessor shall receive any such insurance proceeds or condemnation payments after the Lessee shall have made payments pursuant to this § 7 without deduction for such insurance proceeds or such condemnation payments, the Lessor shall pay such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value with respect to a Unit paid by the Lessee and any balance of such proceeds or condemnation payments shall remain the property of the Lessor. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. *Reports.* On or before March 31 in each year, commencing with the calendar year 1975, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by §5 hereof and the Security Document have been preserved or replaced. The Lessor shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

The Lessee agrees to furnish the Lessor and the Vendor (i) as soon as practicable after the end of each quarterly fiscal period in each fiscal year of the Lessee, and in any event within 60 days thereafter, copies of the consolidated balance sheet of the Lessee and its consolidated subsidiaries as of the end of each such quarter and consolidated statements of income and of surplus of the Lessee and its consolidated subsidiaries for each such quarter and (in the case of the second and third quarters) for the portion of

the fiscal year ending with such quarter, setting forth in each case in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by a principal financial officer of the Lessee; (ii) as soon as practicable after the end of each fiscal year of the Lessee, and in any event within 120 days thereafter, copies of the consolidated balance sheet of the Lessee and its consolidated subsidiaries at the end of such year, and consolidating and consolidated statements of income and of surplus of the Lessee and its consolidated subsidiaries for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Lessee which opinion shall state that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances; (iii) promptly upon receipt thereof, copies of each other report submitted to the Lessee or any subsidiary of the Lessee by independent accountants in connection with any annual, interim or special audit made by them of the books of the Lessee; (iv) promptly upon their becoming available, copies of periodic reports and any registration statement or prospectus filed by the Lessee or any subsidiary of the Lessee with any securities exchange or with the Securities Exchange Commission or any successor agency; (v) immediately upon becoming aware of the existence of any condition or event which constitutes an Event of Default, a written notice which specifies the nature of the claimed Event of Default and what action the Lessee is taking or proposes to take with respect thereto; (vi) immediately upon becoming aware that any holder of interest in the aggregate Conditional Sale Indebtedness then outstanding has given notice or taken any action in respect to a claimed Event of Default, a written notice specifying the notice given or action taken by such holder and the nature of the claimed Event of Default and what action the Lessee is taking or proposes to take with respect thereto; and (vii) with reasonable promptness, such other data as from time to time may be reasonably requested.

Each set of financial statements delivered to the Lessor and the Vendor will be accompanied by a certificate of the President or Vice President and Treasurer or an Assistant Treasurer of the Lessee setting forth (i) the information (including detailed calculations) required in order to establish whether the Lessee was in compliance with the representations and warranties contained in §15 of this Lease during the period covered by the income statement then being furnished and (ii) that the signers have reviewed the relevant terms of this Lease, the Conditional Sale Agreement, the Assignment and the Lease Assignment and have made, or caused to be made, under their supervision a review of the transactions or conditions of the Lessee and its subsidiaries from the beginning of the accounting period covered by the income statements being delivered therewith to the date of the certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes an Event of Default under this Lease or the Security Document or if any such condition or event existed or exists, or if an event has occurred which, with the giving of notice or the passage of time or both, would constitute such an Event of Default, specifying the nature and period of existence thereof and what action the Lessee has taken or proposes to take with respect thereto.

Each set of annual financial statements delivered pursuant to this §8 will be accompanied by a certificate of the accountants who certify such financial statements stating that they have reviewed this Lease, the Conditional Sale Agreement, the Assignment and the Lease Assignment and stating further, whether, in making their audit, such accountants have become aware of any condition or event which then constitutes an Event of Default and, if any such condition or event then exists, specifying the nature and period of existence thereof.

The Lessee will permit the Lessor, the Vendor or any representatives of the holders of interests in the Conditional Sale Indebtedness then outstanding to examine all books and accounts, records and reports and other papers of the Lessee or any subsidiary to make copies and extracts therefrom and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants (and by this provision the Lessee authorizes its accountants to so discuss its affairs) all at such reasonable times and as often as may be reasonably requested.

§ 9. *Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification.* The Lessor makes no warranty or representation, either express or implied, as to the design or condition of, or as

to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and the Lessor makes no warranty of merchantability or fitness of the Units for any particular purpose or as to title to the Units or any component thereof, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Builders under the provisions of Items 3 and 4 of Annex A to the Security Document. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor and the Vendor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense; *provided, however*, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or the Vendor, adversely affect the property or rights of the Lessor or the Vendor under this Lease or under the Security Document.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered accessions thereto as hereinbelow provided) which is subject to this Lease in good order and repair, reasonable wear and tear excepted.

Any and all additions to any Unit and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Security Document) shall immediately be vested in the Lessor and the Vendor as their respective interests appear in the Unit itself. The Lessee may make alterations or modifications to any Unit so long as they do not affect the value of such Unit adversely.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of the Security Document or this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in § 14 of this Lease. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor or the Vendor of the Units or the leasing thereof to the Lessee; *provided, however*, that the Lessor shall, to the extent appropriate, join in and execute such reports.

§ 10. *Default.* If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

A. default shall be made in payment of any part of the rental provided in §3 hereof, and such default shall continue for 5 business days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Security Document, and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied;

D. any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Security Document under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Security Document), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and under the Security Document shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof including net after-tax losses of Federal and state income tax benefits to which the Lessor would otherwise be entitled under this Lease; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 3.67% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing

or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

§ 11. *Return of Units Upon Default.* If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit returned to the Lessor pursuant to this § 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any accession as provided in § 9 hereof and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner place such Units upon such storage tracks or cause such Units to be transported to such point or points as the Lessor reasonably may designate; and

(b) permit the Lessor to store such Units on such tracks or premises until such Units have been sold, leased or otherwise disposed of by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. In the event that the Units or any thereof are sold pursuant to the exercise of the Vendor's remedies under the Security Document, the Lessee shall pay to the Vendor the per diem interchange for each such Unit which shall not have been assembled,

delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. *Assignment; Possession and Use.* This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the partners or any beneficiary of any such assignee if such assignee is a partnership or a trust, respectively).

The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or the Vendor or resulting from claims against the Lessor or the Vendor not related to the ownership of the Units) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor, the Vendor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease or under the Security Document in its capacity as guarantor or otherwise, the Lessee and any of its affiliates shall be entitled to the possession and use of the Units in accordance with the terms hereof, and the Lessee may also (a) furnish any Unit or Units to railroad companies for use upon the lines of

railroad owned or operated by them or over which they have trackage rights and upon connecting and other carriers in the usual interchange of traffic, or to others than railroad companies, or (b) sublease any Unit or Units to any person or entity, but only, in either case, upon and subject to all the terms and conditions of this Lease and the Security Document, and to all rights of the Vendor under the Security Document and of the Lessor hereunder and the Vendor may upon written notice request the Lessee to assign to the Vendor all amounts due and payable under any such sublease and the Lessee agrees to so assign such amounts.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled (subject to the rights of the Vendor and the Lessor referred to in the next preceding paragraph) to the possession of the Units included in such sublease and the use thereof, and, subject to the provisions of §5, may provide for lettering or marking upon such Units for convenience of identification of the leasehold interest of such sublessee therein. Every such sublease shall be subject to the rights of the Vendor under the Security Document and the Lessor under this Lease in respect of the Units covered by such sublease in the event of the happening of an event of default thereunder or an Event of Default hereunder and the Vendor may upon written notice request the Lessee to assign to the Vendor all amounts due and payable under any such sublease and the Lessee agrees to so assign such amounts.

The Lessor shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of the Lessee's rights hereunder or in case of any unauthorized transfer or sublease of any of the Units.

The Lessee agrees not to use or permit the use at any one time of Units having a Purchase Price in excess of 10% of the aggregate Purchase Price of all the then existing Units in any jurisdictions in which the security title of the Vendor or the title of the Lessor has not been effectively protected.

Nothing in this §12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder and under the Security Document) into or with which the Lessee shall have become

merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger or consolidation, be in default under any provision of this Lease.

§13. *Renewal Option.* Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to the end of the original term of this Lease, elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for one additional 8-year period commencing on the scheduled expiration of the original term of this Lease, as the case may be, provided that no such extended term extends beyond January 1, 2000. The rental payments for such extended term shall each be in an amount equal to 1.7164% of the Purchase Price in respect of each Group A Unit then subject to this Lease and 1.7164% of the Purchase Price in respect of each Group B Unit then subject to this Lease, for each such semiannual rental payment. Renewal rentals shall be payable semiannually, in arrears, on December 31 (in lieu of January 1) and July 1 for each year of the renewal term.

§ 14. *Return of Units upon Expiration of Term.* As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit, and in any event not later than 90 days thereafter, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three-month period, to any reasonable place on the lines of any railroad within the United States at an expense not greater than the cost to return to Chicago for shipment, all as directed by the Lessor; the movement and storage of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; *provided, however,* that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The

assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. Each Unit returned to the Lessor pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any accession as provided in § 9 hereof and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If the Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence or which after the expiration of this Lease the Lessor shall have deemed to have suffered a Casualty Occurrence, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume and hold the Lessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee a bill of sale or bills of sale transferring to the Lessee, or upon its order, the Lessor's title to and property in any Unit abandoned by it pursuant to the immediately preceding sentence. The Lessee shall have no liability to the Lessor in respect of any Unit abandoned by the Lessor after termination of the Lease; *provided, however*, that the foregoing clause shall not in any way relieve the Lessee of its obligations pursuant to § 7 hereof to make payments equal to the Casualty Value of any Unit experiencing a Casualty Occurrence while this Lease is in effect.

§15. *Representations and Warranties.* The Lessee represents and warrants as follows:

A. the Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is either qualified to do business in such other jurisdictions in which the business and activities of the Lessee require such qualification or, the Lessee agrees to qualify to do business in such other jurisdictions where it may subsequently be required to do so;

B. the Lessee has full power, authority and legal right to carry on its business as now conducted and is duly authorized and empowered to

execute and deliver the Finance Agreement, the Security Document and this Lease;

C. there are no actions, suits or proceedings (whether or not purportedly on behalf of the Lessee) pending or (to the knowledge of the Lessee) threatened against or affecting the Lessee or any property rights of the Lessee at law or in equity, or before any commission or other administrative agency, which could materially and adversely affect the condition, financial or otherwise, of the Lessee; and the Lessee (to its knowledge) is not in default with respect to any order or decree of any court or governmental commission, agency or instrumentality;

D. the Lessee is not a party to any agreement or instrument or subject to any charter or other corporate restriction materially and adversely affecting the business of the Lessee, or the operations, property or assets or condition, financial or otherwise, of the Lessee;

E. neither the execution and delivery of this Agreement, the Lease, the Security Document, the Finance Agreement nor the consummation of the transactions herein and therein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof and thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality, or of the corporate charter (as amended) or the by-laws (as amended) of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is now a party or by which it may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee pursuant to the terms of any such agreement or instrument.

F. no mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property or interests therein of the Lessee, now attaches or hereafter will attach to the Units or in any manner affects or will affect adversely the Vendor's or the Lessor's right, title and interest therein;

provided, however, that such liens may attach to the leasehold interest of the Lessee hereunder in and to the Units;

G. no authorization or approval is required from any governmental or public body in connection with it, with respect to the entering into or performance by the Lessee of the Finance Agreement, the Security Document or this Lease;

H. the Finance Agreement, the Security Document and this Lease have been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery thereof by the other parties thereto, the Finance Agreement, the Security Document, the Lease and the assignments of the Security Document and the Lease to the Agent constitute legal, valid and binding agreements, enforceable in accordance with their respective terms, subject as to the enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

I. the Security Document (and any assignment thereof) and this Lease (and any assignment hereof) have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and such filing and recordation will protect the Vendor's and the Lessor's interests in and to the Units and no filing, recording or deposit (or giving of notice) with any other federal, state or local government or agency thereof is necessary in order to protect the interests of the Vendor or the Lessor in and to the Units in the United States of America;

J. no material adverse change has occurred in the condition, financial or otherwise, of the Lessee since December 31, 1973. The Lessee agrees that on each Closing Date the Lessee will deliver to the Lessor and the Vendor a certificate of a Vice President of the Lessee to the effect that such representations and warranties are true and correct on such date; and

K. the Lessee has filed all Federal, state and local tax returns which (to its knowledge) are required to be filed, and has paid, or made provisions for the payment of, all taxes which have or may become due pursuant to said returns or pursuant to any assessment

received by it, other than taxes which are being contested in good faith and which in the aggregate do not involve material amounts.

The Lessee's representations and warranties in this § 15 shall be true on and as of each Closing Date with the same effect as though such representations and warranties had been made on and as of each Closing Date; and on each Closing Date the Lessee shall not be in default under this Agreement, the Finance Agreement, the Security Document or the Lease; and on each Closing Date the Lessee shall have delivered to the Lessor and the Vendor a certificate of an officer to that effect.

On each Closing Date the Lessee will deliver to the Lessor two counterparts of the written opinion of counsel for the Lessee, addressed to the Lessor and the Vendor, in scope and substance satisfactory to the Lessor, the Vendor and their respective counsel, to the effect set forth in clauses A through I in the immediately preceding paragraph.

§ 16. *Recording.* The Lessee, at its own expense, will cause this Lease, the Security Document and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, registering, deposit, and recording required of the Lessor under the Security Document and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Document or the assignment thereof to the Vendor; *provided, however,* that the Lessor and the Lessee shall not be required to take any such action referred to in Article 19 of the Security Document (other than filing and recording under Section 20c of the Interstate Commerce Act) if (1) it deems such action unduly burdensome, (2) after giving effect to the failure to take such action, all action required by law has been taken so as to protect the security title of the Vendor to units of Equipment having a Purchase Price of not less than 90% of the aggregate Purchase Price of all of the then existing Units, and the Lessee will promptly furnish to the Vendor

and the Lessor evidences of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Security Document shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 17. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to interest at the highest rate specified in the sixth paragraph of Article 4 of the Security Document, upon the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first-class certified, addressed as follows:

(a) if to the Lessor, at 130 South LaSalle Street, Chicago, Illinois 60990 attention of Trust Department, with copies to the Beneficiary at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager—Operations, and Loan Officer—Rail, and

(b) if to the Lessee, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President-Finance:

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee regarding the Lessee's failure to perform any obligation hereunder shall also be furnished to the Lessor.

§ 19. *Lessor Acting as Trustee.* The representations, undertakings and agreements herein made on the part of the Lessor are made and intended for the purpose of binding only the Trust Estate as such term is used in the trust agreement pursuant to which the Lessor is acting as trustee.

Whenever the term Lessor is used in this Lease it shall apply and refer to the Lessor and the Beneficiary and any assignee of the Lessor and, where

the context so requires (including, but not limited to, certain of the provisions of §§6 and 10 hereof), shall refer only to the Beneficiary. The term Beneficiary as used herein shall include any affiliated group of corporations which includes the Beneficiary and which files a consolidated Federal income tax return.

§ 20. *No Recourse.* No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, or against the Beneficiary or any other beneficiary of a trust for which the Lessor is acting as trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

§ 21. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement dated as of July 15, 1974, between the Lessee and the Beneficiary. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

§ 22. *Execution.* This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 23. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

NORTH AMERICAN CAR CORPORATION

by
Vice President

[CORPORATE SEAL]

Attest:

.....
Assistant Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee.

by
Vice President

[CORPORATE SEAL]

Attest:

.....
Assistant Secretary

Notary Public

STATE OF ILLINOIS }
County of Cook } ss.:

Notary Public

[NOTARIAL SEAL]

Schedule A

to Lease

Group A Units

<u>Type and Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
Class LO, 100 ton, 4,750, cubic foot capacity, covered hopper car	73	NAHX 475250-475322
	27	NAHX 475395-475421
	40	NAHX 475816-475855
	100	NAHX 475900-475999 (Serial Number)
	50	(DRGW 15670- 15769) DRGW 15770- 15819

Group B Units

<u>Type and Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
Class LO, 100 ton, 4,750, cubic foot capacity, covered hopper car	50	NAHX 476154-476203
	72	NAHX 475323-475394
	28	NAHX 475422-475449
	100	NAHX 475550-475649
	126	NAHX 475690-475815
	44	NAHX 475856-475899
	31	NAHX 57410- 57440
	50	NAHX 476204-476253
	50	NAHX 476000-476049
	4	NAHX 477127-477130
	5	NAHX 478750-478754

**Annex D
to Conditional Sale Agreement**

ASSIGNMENT OF LEASE AND AGREEMENT dated as of July 15, 1974 (hereinafter called this Assignment), by and between EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee (such Trustee, together with its successors and assigns, being hereinafter called the Lessor or the Vendee), under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary) and FIRST PENNSYLVANIA BANK N. A., as Agent under a Finance Agreement dated the date hereof (hereinafter called the Agent).

WHEREAS, the Vendee and NORTH AMERICAN CAR CORPORATION (hereinafter called the Lessee) are entering into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Document), with PULLMAN INCORPORATED (Pullman-Standard division) and NORTH AMERICAN CAR CORPORATION, in its capacity as builder, providing for the sale to the Vendee of the units of railroad equipment (hereinafter called the Units) described in the Annexes thereto as are delivered to and accepted by the Vendee thereunder; and

WHEREAS the Lessor and the Lessee have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the Security Document and as an inducement to the Agent to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Document), the Lessor has agreed to assign for security purposes its rights in, to and under the Lease to the Agent;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 11 hereof, the Lessor hereby assigns, transfers and sets over unto the Agent, as collateral security for the payment and performance of the Lessor's obligations under the Security Document, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including,

without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Lessor under the Security Document, subject to the limitations contained in the last paragraph of Article 4 of the Security Document, and any balance shall be paid immediately to and retained by the Lessor. If the Agent shall not receive any rental payment under the first paragraph of § 3 of the Lease when due, the Agent shall notify the Lessor at the address set forth in the Lease.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Agent.

3. To protect the security afforded by this Assignment, the Lessor agrees as follows:

(a) The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease

provides are to be performed by the Lessor; without the written consent of the Agent, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

(b) At the Lessor's sole cost and expense, the Lessor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Lessor under the Lease.

(c) Should the Lessor fail to make any payment or to do any act which this Assignment requires the Lessor to make or do, then the Agent, but without obligation so to do, after first making written demand upon the Lessor and affording the Lessor a reasonable period of time within which to make such payment or do such act, but without releasing the Lessor from any obligation hereunder, may make or do the same in such manner and to such extent as the Agent may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Agent, and also the right to perform and discharge each and every obligation, covenant and agreement of the Lessor contained in the Lease; and in exercising any such powers, the Agent may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Lessor will reimburse the Agent for such costs, expenses and fees.

4. Subject to the provisions of paragraph 11 hereof, the Lessor does hereby constitute the Agent the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce

compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Agent may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Lessee's and the Lessor's obligations under the Security Document, this Assignment and all rights herein assigned to the Agent shall terminate, and all estate, right, title and interest of the Agent in and to the Lease shall revert to the Lessor.

6. On each Closing Date (as defined in the Security Document) the Lessor will furnish the Agent with an opinion of counsel that this Assignment has been duly authorized, executed and delivered by the Lessor and is a legal and valid agreement binding on the Lessor.

7. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Agent in order to confirm or further assure the interests of the Agent hereunder.

8. Subject to the Finance Agreement, the Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Agent at its address set forth in Article 21 of the Security Document, or at such other address as the Agent shall designate.

11. The Agent hereby agrees with the Lessor that the Agent will not, so long as an event of default under the Security Document has not

occurred and is not then continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Lessor to the Agent by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof.

12. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Exchange National Bank of Chicago are each and every one of them made and intended not as personal representations, undertakings and agreements by said Bank, or for the purpose or with the intention of binding the said Bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement referred to in the first paragraph hereof, and this Agreement is executed and delivered by said Bank solely in the exercise of the powers expressly conferred upon said Bank as trustee under said Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said Bank, or the Beneficiary or on account of any representation, undertaking or agreement of said Bank or the Beneficiary, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; *provided, however*, that the Agent or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing herein contained shall limit, restrict or impair the rights of the Agent to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against said Bank (provided that neither said Bank in its fiduciary or individual capacity nor the Beneficiary shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of said Bank or the Beneficiary) or, subject to the terms and conditions of the Lease, to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Lessee under the Lease and the Security Document.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

EXCHANGE NATIONAL BANK OF
CHICAGO, as Trustee,

by
Vice President

[CORPORATE SEAL]

Attest:

.....
Assistant Trust Officer

FIRST PENNSYLVANIA BANK N.A.,
as Agent,

by
Vice President

[CORPORATE SEAL]

Attest:

.....
Assistant Secretary

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Assignment of Lease and Agreement is hereby acknowledged as of July 15, 1974.

NORTH AMERICAN CAR CORPORATION,

by
Vice President

Annex E
to Conditional Sale Agreement

FINANCE AGREEMENT

Dated as of July 15, 1974

among

FIRST PENNSYLVANIA BANK, N.A., *as Agent*

NORTH AMERICAN CAR CORPORATION

EXCHANGE NATIONAL BANK OF CHICAGO, *as Owner-Trustee*

and

THE PARTIES NAMED IN SCHEDULES A AND B HERETO

FINANCE AGREEMENT dated as of July 15, 1974, among **FIRST PENNSYLVANIA BANK N.A.**, as agent (hereinafter called the Agent), **NORTH AMERICAN CAR CORPORATION** (hereinafter called the Lessee), **EXCHANGE NATIONAL BANK OF CHICAGO**, as Trustee (hereinafter called the Vendee) under a Trust Agreement dated as of the date hereof with **GENERAL ELECTRIC CREDIT CORPORATION** (hereinafter called the Beneficiary), the parties named in Schedule A hereto (hereinafter called the Interim Investors) and the parties named in Schedule B hereto (hereinafter called the Long-Term Investors, such Long-Term Investors and Interim Investors being collectively called the Investors).

The Vendee and the Lessee, in its capacity as guarantor, are entering into a conditional sale agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement), with **PULLMAN INCORPORATED** (Pullman-Standard division) and **NORTH AMERICAN CAR CORPORATION**, in its capacity as builder (hereinafter called the Builders), substantially in the form annexed hereto as Exhibit A, for the purchase of the new standard-gauge railroad equipment referred to in the Conditional Sale Agreement (hereinafter called the Equipment).

The Agent is willing to acquire, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the Assignment), in substantially the form annexed hereto as Exhibit B, the right, security title and interest of each Builder under the Conditional Sale Agreement in the units of the Equipment, all upon and subject to the terms and conditions hereinafter set forth.

The Vendee proposes to lease the units of the Equipment to the Lessee pursuant to a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), substantially in the form annexed as Annex C to the Conditional Sale Agreement, and to assign the Lease to the Agent as security pursuant to an Assignment of Lease and Agreement dated as of the date hereof (hereinafter called the Lease Assignment) in the form of Annex D to the Conditional Sale Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1. Each Interim Investor will pay to the Agent, in federal funds, not later than 11:00 a.m., Philadelphia time, on each Closing Date (as defined in the Conditional Sale Agreement) occurring after December 17, 1974 and

on or before January 31, 1975, an amount equal to the percentage set forth opposite each such Investor's name in Schedule A hereto of (y) the amount payable by the Agent pursuant to Section 4 of the Assignment on such Closing Date less (z) any Long-Term Investors' funds on deposit on or prior to such Closing Date, available to the Agent to make payment pursuant to Section 4 of the Assignment on such Closing Date; *provided, however*, that each Interim Investor shall furnish funds hereunder only up to an aggregate principal amount at any one time outstanding not in excess of its Maximum Commitment specified in Schedule A hereto. The Agent will give to each Interim Investor written notice of the payment to be made by such Investor at least three business days prior to the Closing Date. Each Long-Term Investor will pay to the Agent, in federal funds, not later than 11 a.m., Philadelphia time, on the date or dates set forth opposite each such Long-Term Investor's name in Schedule B hereto (each such date being hereinafter called a Date of Deposit), the amount set forth opposite each such Long-Term Investor's name on Schedule B hereto in respect of such Date of Deposit (or, if the Take-Out, as hereinafter defined, on any Date of Deposit occurring after the Cut-Off Date (as hereinafter defined) is for a lesser amount, then such Long-Term Investor's payment shall be in an amount equal to the Take-Out). The obligation of a Long-Term Investor who is required to make the aforementioned payment on any Date of Deposit which is also a Take Out Date (as defined in the next succeeding paragraph) shall be unconditional whether or not the Vendee or the Lessee is in default hereunder or whether or not the Vendee or the Lessee is in default under the Conditional Sale Agreement, the Lease or otherwise. Further, such obligation of such Long-Term Investor shall remain in full force and effect notwithstanding any act or failure to act by the Agent contemplated by and described in this Agreement, including without limitation Paragraph 7 hereof. The Agent will give to each such Long-Term Investor written notice of the payment to be made by such Investor at least six business days prior to its Date of Deposit.

Upon payment to the Agent of any amount required to be paid by an Investor pursuant to this Paragraph 1, the Agent will execute and deliver to such Investor (or, upon the written request of such Investor, to the nominee or nominees of such Investor), a certificate or certificates of interest substantially in the form annexed hereto as Exhibit C dated the Closing Date with respect to such payment of the Interim Investors and a certificate

or certificates of interest substantially in the form annexed hereto as Exhibit D dated the applicable Date of Deposit with respect to such payment by the Long-Term Investors. As soon as practicable after such delivery of such certificate or certificates of interest to the Long-Term Investors the Agent will deliver to each of the Long-Term Investors a schedule of payments reflecting the dates and amounts of principal and interest payments to be made to each such Long-Term Investor.

Each Interim Investor agrees to surrender to the Agent for cancellation on April 1, 1975 the certificate or certificates of interest theretofore delivered to it hereunder in a principal amount equal to the principal amount of Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) to be repaid to it on said date as hereinafter provided and, upon such surrender, the Agent will release to each Interim Investor its *pro rata* share of the payments made by a Long-Term Investor (up to the aggregate unpaid principal amount of the Conditional Sale Indebtedness in respect of which the Interim Investors have invested) on April 1, 1975 (such date on which an Interim Investor is repaid from funds deposited by a Long-Term Investor being hereinafter called the Take-Out Date and such payment to an Interim Investor being hereinafter called the Take-Out). Upon the making of such payments by a Long-Term Investor, such Investor shall succeed to all the rights and interests of the Interim Investors hereunder and under the Conditional Sale Agreement with respect to the repaid portion of the investment of the Interim Investors in the aggregate Conditional Sale Indebtedness. The Agent agrees to give to each Interim Investor six business days written notice of the Take-Out Date and of the amount to be repaid to each Interim Investor on such Take-Out Date.

On December 30, 1974, the Vendee will pay to the Agent, an amount equal to the difference between \$6,000,000 and the aggregate amount of funds furnished by the Vendee prior to December 30, 1974, for settlement of Equipment pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement, said amount so deposited to be applied by the Agent, to the extent required, for settlement of Equipment pursuant to said subparagraph (a) upon receipt by the Agent of a written request so to do from the Beneficiary.

So long as, to the actual knowledge of the Agent, the Lessee is not in default under this Agreement, and no event of default or event which with lapse of time and/or demand provided for in the Conditional Sale Agree-

ment could constitute an event of default under the Conditional Sale Agreement shall have occurred and be continuing (any such default, event of default or event being hereinafter called a Default), the Agent will, upon the written direction of the Lessee, invest and reinvest (whether through outright purchase or repurchase agreements) the moneys deposited with it pursuant to this Paragraph 1 by the Long Term Investors and the Vendee in such of the following as may be specified in such direction: (i) direct obligations of the United States of America or obligations for which the full faith and credit of the United States of America is pledged to provide for the payment of principal and interest, or (ii) open market commercial paper, rated "prime-1" or better by NCO/Moody's Commercial Paper Division of Moody's Investors Service Inc. or "A-1" by Standard & Poor's, of any corporation incorporated under the laws of the United States of America or any State thereof, or (iii) certificates of deposit of commercial banks in the United States of America having capital and surplus aggregating at least \$100,000,000, in each case maturing in not more than one year from the date of such investment (all such investments with moneys deposited pursuant to Paragraph 1 by the Long Term Investors being called Group A Investments and all such Investments with moneys deposited pursuant to Paragraph 1 hereof by the Vendee being hereinafter called Group B Investments and together the Investments). Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Agent thereon, shall, unless reinvested as permitted by this Paragraph 1, be held by the Agent for application pursuant to Paragraph 4 hereof and so long as no Default shall have occurred and be continuing any excess shall be paid to the Lessee. If such proceeds (plus such interest) shall be less than the cost (including accrued interest) thereof, the Lessee will promptly pay to the Agent an amount equal to such deficiency. Any payment in respect of such deficiency shall be held and applied by the Agent in like manner as the proceeds of the sale of Investments. The Lessee will pay all fees of and expenses incurred by the Agent in connection with the purchase and sale of Investments.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Philadelphia, Pennsylvania, Chicago, Illinois or New York, New York are authorized or obligated to remain closed. All interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

2. Pursuant to the Assignment the Agent will acquire from each Builder all its right, security title and interest under the Conditional Sale Agreement, except as specifically excepted by such Assignment. Pursuant to the Lease Assignment, the Agent will acquire for security purposes the rights of the Vendee in, to and under the Lease.

The Conditional Sale Agreement and the Lease may hereafter be supplemented or amended, to provide for the inclusion therein of additional new standard-gauge railroad equipment of types similar to the Equipment (other than passenger or work equipment) to be acquired from any Builder or additional builders in substitution for or in addition to any of the Equipment, and the Agent is hereby authorized by the Investors to enter into such supplements to or amendments of the Conditional Sale Agreement and the Assignment to provide therefor, in each case in such form as may be approved by Messrs. Cravath, Swaine & Moore, acting as special counsel for the Agent and the Investors; *provided, however*, that (i) the aggregate Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) under the Conditional Sale Agreement shall not exceed \$14,000,000, and (ii) delivery of the Equipment and any additional railroad equipment in substitution for or in addition to any units of the Equipment shall take place on or prior to December 31, 1974, and settlement therefor shall take place on or before January 31, 1975.

The forms of the Exhibits annexed to this Agreement are hereby approved by the Investors; *provided, however*, that any substantial modifications of such forms shall have been approved in writing by the Investors prior to the execution thereof.

3. The Agent will hold the moneys deposited with it pursuant to Paragraph 1 hereof by the Investors and the rights under the Conditional Sale Agreement acquired under the Assignment, security title to the Equipment following its delivery and acceptance thereunder, as provided in the Assignment and the Conditional Sale Agreement, the security interest in the Lease and any payments received by it pursuant to the Lease, in trust for the benefit of the Investors in accordance with their respective interests therein as such interests from time to time shall appear. The interests of the Investors shall be in proportion to their respective investments in the aggregate Conditional Sale Indebtedness, plus accrued and unpaid interest from time to time outstanding. It is expressly understood and agreed that

the obligations of the Agent hereunder as such title holder and with respect to the payments to the Investors to be made by the Agent are only those expressly set forth herein.

4. Upon each delivery to the Vendee under the Conditional Sale Agreement of a Group (as therein defined) of the Equipment and the receipt by the Agent of the delivery papers with respect thereto to be delivered by the Vendee, each Builder and the Lessee in accordance with the Conditional Sale Agreement and the Assignment, the Agent will promptly deliver one counterpart or copy of each such paper to each Investor who shall request the same, to the Vendee, to the Beneficiary and to Messrs. Cravath, Swaine & Moore.

After receipt by the Agent of the delivery papers, in form and substance satisfactory to it and Messrs. Cravath, Swaine & Moore, with respect to each Group as aforesaid, the Agent will on each Closing Date:

(a) pay to the appropriate Builder in accordance with the Assignment (and subject to the conditions specified in Section 4 thereof) out of moneys paid to the Agent by the Investors pursuant to Paragraph 1 hereof and then on deposit with the Agent an amount equal to the Conditional Sale Indebtedness with respect to such Group (as defined in the Conditional Sale Agreement);

(b) pay to the appropriate Builder in accordance with subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement out of the moneys paid to the Agent by the Vendee pursuant to and in accordance with Paragraph 1 hereof and then on deposit with the Agent an amount equal to 30% of the Purchase Price with respect to such Group for which a Closing Date occurs after December 31, 1974; and

(c) if such moneys then on deposit are insufficient to make either the payment specified in subparagraphs (a) or (b) above, promptly upon receipt of notice of closing with respect to such Group under the Conditional Sale Agreement, sell such portion of the Group A or Group B Investments, as the case may be, as, together with such moneys, may be necessary in order to provide sufficient funds for such payments and use such moneys and the funds so derived, together with interest received on the Group A or Group B Investments, as the case may be, and any deficiency paid by the Lessee as contemplated by Paragraph 1

hereof and held by the Agent, to make such payments to a Builder required to be made on such Closing Date pursuant to the Assignment or pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement, as the case may be.

If, on the earlier of (1) January 31, 1975, or (2) the date of any Default as to which the Agent has actual knowledge (the earlier of said dates being hereinafter called the Cut-Off Date), the aggregate Conditional Sale Indebtedness is less than the amount theretofore deposited with the Agent by the Long-Term Investors pursuant to Paragraph 1 hereof (less any amounts prepaid pursuant to Paragraph 5 hereof) (the amount of said difference being hereinafter called the Surplus Deposit), the Agent will promptly (i) notify such Investors thereof, (ii) sell all Group A Investments then held by the Agent as promptly as possible and (iii) apply on the Cut-Off Date (or as promptly thereafter as possible) the remaining funds of the Long-Term Investors then on deposit (including all proceeds of the sale of Group A Investments and interest received by the Agent on Group A Investments, together with any deficiency paid by the Lessee as contemplated by Paragraph 1 hereof and moneys paid to the Agent pursuant to the last paragraph of this Paragraph 4) to the *pro rata* repayment of a portion of the investments made by the Long-Term Investors hereunder without premium to the extent of the amount of the Surplus Deposit and to the *pro rata* payment of interest on such repayment as provided in the last paragraph hereof, against surrender by each such Long-Term Investor to the Agent of the certificates of interest theretofore delivered by the Agent in respect of which a repayment is to be made, as hereinafter provided, for new certificates of interest evidencing each such Investor's actual investment in the aggregate Conditional Sale Indebtedness (and a new schedule of payment reflecting such investment and setting forth the dates and amounts of principal and interest payments which shall be substantially in proportion to the amount and allocation of principal and interest as is in the schedule it replaces). Each Long-Term Investor, at its option, in lieu of surrendering its certificate or certificates of interest as provided in the immediately preceding sentence, may make appropriate notation on such certificate or certificates of interest of repayment of a portion of its investment and notify the Agent in writing that such notation has been made. Any remaining balance of such funds and proceeds and interest thereon received by the Agent shall be paid

by the Agent to the Lessee so long as the Agent has no actual notice of a Default.

If on the Cut-Off Date, the amount disbursed by the Agent for the account of the Vendee pursuant to clauses (b) and (c) of the second paragraph of this Paragraph 4 is less than the amount deposited by the Vendee pursuant to Paragraph 1 hereof (the difference so remaining being hereinafter called the Equity Amount), the Agent will promptly (i) notify the Vendee thereof, (ii) sell all Group B Investments then held by the Agent as promptly as possible and (iii) pay to the Vendee on the Cut-Off Date (or as promptly thereafter as possible) any remaining funds of the Vendee then on deposit (including all proceeds of the sale of Group B Investments and interest received by the Agent on Group B Investments, together with any deficiency paid by the Lessee as contemplated by Paragraph 1 hereof) up to the amount of the Equity Amount, and (iv) pay any balance to the Lessee.

The Lessee will pay to the Agent in immediately available funds such amounts as will enable the Agent to make the following payments on each of the following dates: (a) on the Cut-Off Date (or as promptly thereafter as is practicable) to each Long-Term Investor, an amount equal to interest at the rate of 11½% per annum on the amount, if any, repaid to such Investor pursuant to the third paragraph of this Paragraph 4 on the Cut-Off Date for the period from its Date of Deposit to the Cut-Off Date (less any amount paid in respect thereof pursuant to clause (b) below), (b) on January 1, 1975, to each Long-Term Investor such amount, if any, as, when added to the interest received by the Agent under the Conditional Sale Agreement on such interest payment date (and without duplication of any amount paid to the Agent for such purposes pursuant to the Lease Assignment), will enable the Agent to pay to the Long-Term Investors an amount equal to interest on the unrepaid investment of each such Long-Term Investor from its Date of Deposit to such date, at the rate of 11½% per annum and (c) on the Cut-Off Date to the Vendee an amount equal to interest at the rate of 11½% per annum on the amount, if any, repaid to the Vendee pursuant to the immediately preceding paragraph on the Cut-Off Date from and including January 1, 1975, to the date of such repayment.

5. The Agent will accept all sums paid to it pursuant to Article 7 of the Conditional Sale Agreement with respect to Casualty Occurrences (as therein defined) and the Agent will apply such sums to the prepayment of

each instalment (ratably in accordance with the unpaid principal amount represented by each instalment) of the aggregate Conditional Sale Indebtedness remaining unpaid, without premium, together with interest accrued and unpaid on such prepaid Conditional Sale Indebtedness.

6. The Agent will accept payments made to it by the Vendee or for its account pursuant to the Conditional Sale Agreement and the Assignment, on account of the principal of or interest on the Conditional Sale Indebtedness thereunder and will apply such payments promptly to the payment, first, of interest payable to the Investors on their respective interests in the aggregate Conditional Sale Indebtedness, and second, of their respective interests in the aggregate Conditional Sale Indebtedness. Any remaining balance of funds received by the Agent pursuant to the Lease Assignment shall be paid to the Vendee for the account of the Beneficiary as provided in the Lease Assignment.

Notwithstanding anything to the contrary contained herein, if a Declaration of Default (as defined in the Conditional Sale Agreement) is in effect under the Conditional Sale Agreement, all moneys held by or coming into the possession of the Agent hereunder or under the Conditional Sale Agreement, the Lease or the Lease Assignment applicable to the payment or prepayment of Conditional Sale Indebtedness or interest thereon (including, without limitation, the net proceeds of any repossession and sale or lease of any unit of the Equipment after deduction of all expenses, including reasonable counsel fees, incurred by the Agent in connection with such repossession and sale or lease or otherwise hereunder in connection with the Conditional Sale Agreement and the Assignment which shall not theretofore have been reimbursed to the Agent by the Vendee or the Lessee pursuant to the Conditional Sale Agreement) immediately shall be distributed by the Agent *pro rata* among the Investors in accordance with their respective interests in the Conditional Sale Indebtedness thereunder at the time of such distribution and the Agent shall otherwise take such action as is referred to in Paragraph 7 hereof.

All payments to be made by the Agent hereunder shall (subject to timely receipt by the Agent of available funds) be made by check mailed to the Investors or the Vendee on the date such payment is due or, upon written request of any Investor or the Vendee, by bank wire to such Investor or the Vendee at such address as may be specified to the Agent in writing.

7. So long as, to the actual knowledge of the Agent, no Default or Event of Default under the Lease shall have occurred and be continuing, the Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, hereunder or under the Conditional Sale Agreement and the Lease, except as otherwise specifically provided herein. The Agent shall not incur any liability hereunder or otherwise in acting upon any notice, certificate or other paper or instrument believed by it to be genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its best judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its own misconduct or negligence; *provided, however*, that in case the Agent shall have actual knowledge of the occurrence of a Default or Event of Default under the Lease it shall promptly notify the Vendee, the Beneficiary, the Lessee and the Investors thereof and shall take such action and assert such rights under the Conditional Sale Agreement and the Lease as shall be agreed upon by holders of interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding; *provided, further*, that the Agent shall, at the direction of Investors holding 20% of the Conditional Sale Indebtedness then outstanding, bring action for past due instalments of principal and interest on the Conditional Sale Indebtedness only, then in default under paragraph (a) of Article 16 of the Conditional Sale Agreement, but unless Investors holding interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding agree to such action, the Agent shall not exercise its rights in respect of the collateral. In case the Agent is required to take action hereunder, it shall be indemnified by such holders in proportion to their respective interests in the aggregate Conditional Sale Indebtedness then outstanding against any liability or expenses, including reasonable counsel fees, in connection with taking such action or asserting such rights.

The Agent may consult with legal counsel of its own choice, and shall not be under any liability for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.

8. Each Investor represents that it is acquiring its interest in the aggregate Conditional Sale Indebtedness for its own account, or for the account of one or more pension or trust funds or other institutional accounts,

for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same (except for the sale of such interest to the Long-Term Investors pursuant to Paragraph 1 hereof), but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control. Each Investor, if acquiring a participation in the aggregate Conditional Sale Indebtedness for the account of one or more pension or trust funds or other institutional accounts, represents that (except to the extent that it has otherwise advised Messrs. Cravath, Swaine & Moore in writing) it has sole investment discretion in respect of each such account for which it is acting.

The interests of the Investors hereunder have not been registered under the Securities Act of 1933 and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Investor agrees that it will not transfer its interest hereunder unless such transfer would not require registration of the interests of the Investors under said Act. Each Investor hereby agrees that any transfer authorized pursuant to the next preceding sentence of all or any part of its interest in the Conditional Sale Indebtedness shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer (other than as provided in Paragraph 1 hereof) such Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Investor an appropriate agreement, to be entered into among such Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

9. The Agent will promptly mail or deliver one counterpart or copy of all notices, statements, documents or schedules received by it from the Vendee or the Lessee pursuant to the Conditional Sale Agreement or the Assignment or the Lease to each Investor who shall have requested the same in writing.

10. All notices, instructions, directions and approvals to be delivered hereunder to the Agent by any Investor, the Vendee, the Lessee or the Beneficiary shall be in writing signed by an officer, assistant officer, manager or assistant manager of such party, and the Agent may rely on any notice, instruction, direction or approval so signed.

11. The Agent does not make any representation or assume any responsibility with respect to (i) the validity of the Conditional Sale Agreement, the Lease, the Assignment, the Lease Assignment or any certificate of interest (except with respect to its own execution thereof) or any of the matters covered thereby or (ii) the value of or the title to the Equipment.

12. In the event of any dispute with respect to the delivery or ownership or right to possession of funds (except funds furnished by the Vendee or the Beneficiary for the purpose of making payment pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement) or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and title to such unit of the Equipment until such dispute shall have been settled either by agreement of the Investors or by final order, decree or judgment of a court of competent jurisdiction.

13. All documents and funds deliverable hereunder to the Agent shall be delivered to it at its address at 15th and Chestnut Streets, Philadelphia, Pennsylvania 19101, attention of Corporate Trust Department, or as the Agent may otherwise specify. All documents and funds deliverable hereunder to the Investors shall be delivered or mailed to them at their respective addresses set forth in Schedule A hereto, or as any of them may otherwise specify. All documents deliverable hereunder to Messrs. Cravath, Swaine & Moore shall be delivered to them at One Chase Manhattan Plaza, New York, New York 10005. All documents deliverable hereunder to the Beneficiary shall be delivered or mailed to it at P. O. Box 8300, Stamford, Connecticut 06904, attention of Transportation Loan Officer—Leasing and Industrial Loan Financing. All documents and funds deliverable hereunder to the Vendee shall be delivered or mailed to it at 130 South LaSalle Street, Chicago, Illinois 60690, attention of the Trust Department. All documents and funds deliverable hereunder to the Lessee shall be delivered or mailed to it at 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of Vice President—Finance.

14. The terms of this Agreement and all rights and obligations of the parties hereto hereunder shall be governed by the laws of the State of Illinois. Such terms, rights and obligations may not be changed orally, but

may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

15. The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investors that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice; it being understood and agreed that the Agent shall also give such notice if it is directed so to do by the holders of interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding. If, prior to the date stated in said notice, the holders of interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such holders all right, security title and interest of the Agent under the Conditional Sale Agreement and the Assignment and in and to the Equipment and the Lease, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in said notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in Philadelphia, Pennsylvania, Chicago, Illinois or in the Borough of Manhattan, City and State of New York, having capital and surplus aggregating at least \$50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, security title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by such holders or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall thereupon be relieved of all duties and responsibilities hereunder.

16. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each counterpart shall be signed by the Agent and each Investor and the Vendee and the Lessee shall have signed a counterpart so signed by the Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

FIRST PENNSYLVANIA BANK N.A.

by
Vice President

NORTH AMERICAN CAR CORPORATION

by
Vice President

EXCHANGE NATIONAL BANK
OF CHICAGO, Owner-Trustee

by

AETNA LIFE AND CASUALTY COMPANY

by
Assistant Vice President

THE AETNA CASUALTY AND
SURETY COMPANY

by
Assistant Vice President

STATE TEACHERS RETIREMENT BOARD
OF OHIO

by
Executive Director

UNION MUTUAL LIFE INSURANCE
COMPANY

by
Vice President

BARCLAYS BANK INTERNATIONAL LTD.

by
Vice President

BANQUE NATIONALE DE PARIS

by
Vice President

SWISS BANK CORPORATION,
CHICAGO BRANCH

by
Vice President

THE AMALGAMATED TRUST
& SAVINGS BANK

by
Vice President

Schedule A

to

Finance Agreement

<u>Name and Address</u>	<u>Percentage</u>	<u>Maximum Commitment</u>
Barclays Bank International Ltd. 208 South LaSalle Street Chicago, Illinois 60603	37.5%	\$2,250,000
Banque Nationale de Paris 33 North Dearborn Street Chicago, Illinois 60602	25%	\$1,500,000
Swiss Bank Corporation, Chicago Branch 150 S. Wacker Drive Chicago, Illinois 60606	25%	\$1,500,000
The Amalgamated Trust & Savings Bank..... 100 South State Street Chicago, Illinois	12.5%	\$ 750,000
Total:		<hr/> \$6,000,000

Schedule B

to

Finance Agreement

<u>Name and Address</u>	<u>Maximum Commitment</u>	<u>Date of Deposit</u>
AETNA LIFE AND CASUALTY COMPANY* 151 Farmington Avenue Hartford, Connecticut 06115 Attention: Bond Investment Department	\$ 4,000,000	December 17, 1974
THE AETNA CASUALTY AND SURETY COM- PANY** 151 Farmington Avenue Hartford, Connecticut 06115 Attention: Bond Investment Department	\$ 3,000,000	December 17, 1974
STATE TEACHERS RETIREMENT BOARD OF OHIO..... 275 East Broad Street Columbus, Ohio 43215 Attention: James L. Sublett Executive Director	6,000,000***	April 1, 1975
UNION MUTUAL LIFE INSURANCE COMPANY 2211 Congress Street Portland, Maine 04102 Attention: Investment Department	1,000,000	December 17, 1974
Total	<u>\$14,000,000</u>	

* Payments of principal and interest are to be made by wire transfer of federal funds to Aetna Life and Casualty Company, Account No. 000-45-412 at Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, New York 10005, Attention: Money Transfer Department, and all notices in respect of such payments should be sent to 151 Farmington Avenue, Hartford, Connecticut 06115, Attention Treasury Services--B.

** Payments of principal and interest are to be made by wire transfer of federal funds to The Aetna Casualty and Surety Company, Account No. 000-42-948 at Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, New York 10005, Attention: Money Transfer Department, and all notices in respect of such payments are to be sent to 151 Farmington Avenue, Hartford, Connecticut 06115, Attention Treasury Services --B.

*** This amount may be reduced upon ten business days' notice by the Agent to the Investor so that the amount so deposited on this date will be in the exact amount needed to purchase the interest of the Interim Investors in the aggregate Conditional Sale Indebtedness on said date.

Annex B
to
Conditional Sale Agreement

9708

<u>Builder</u>	<u>Type and AAR Mechanical Designation</u>	<u>Builder's Specifications</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>	<u>Unit Base Price</u>	<u>Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
Pullman Incorporated (Pullman-Standard division)	Class LO, 100 ton, 4,750 cubic foot capacity, covered hopper car	No. 3110 dated Oct. 4, 1972, as revised	73	NAHX 475250-475322 ✓	\$25,000	\$20,000,000	November—
			27	NAHX 475395-475421 ✓			December, 1974
			40	NAHX 475816-475855 ✓			Youngstown, Ohio
			100	NAHX 475900-475999 ✓			
				(Serial Number) ← ? should not be NAHX before this no.			
				DRGW 15670-15769 ✓			
			50	NAHX 476154-476203 ✓			
			72	NAHX 475323-475394 ✓			
			28	NAHX 475422-475449 ✓			
			100	NAHX 475550-475649 ✓			
			126	NAHX 475690-475815 ✓			
			44	NAHX 475856-475899 ✓			
			31	NAHX 57410- 57440 ✓			
			50	NAHX 476204-476253 ✓			
			50	NAHX 476000-476049 ✓			
			4	NAHX 477127-477130 ✓			
			50	DRGW 15770-15819 ✓			
			5	NAHX 478750-478754 ✓			